

5 August 2024

Dow closes -600pts, Nasdaq enters correction on weak jobs report; ASX to fall

- Global markets.** Stocks fell sharply on Friday as a much weaker-than-anticipated jobs report for July ignited worries that the economy could be falling into a recession.

The broad market index dropped 1.84% to end at 5,346.56. The Nasdaq Composite lost 2.43% to close at 16,776.16, bringing the decline for the tech-heavy index from its recent all-time high to more than 10%. The Dow Jones Industrial Average fell 610.71 points, or 1.51%, to finish at 39,737.26. At its session low, the 30-stock index was down 989 points.

Stocks sank after July job growth in the U.S. slowed more than expected, while the unemployment rate rose to the highest since October 2021. Nonfarm payrolls grew by just 114,000 last month, the Labor Department reported, a slowing from 179,000 jobs added in June and below the 185,000 expected by economists polled by Dow Jones. The unemployment rate increased to 4.3%.

Some megacap names saw steep losses during the day, as Amazon's second-quarter results sparked investor concerns about Big Tech's blowout levels of artificial intelligence-related capital spending. The e-commerce giant slid 8.8% after missing the Street's revenue estimates and issuing a disappointing forecast. Intel, meanwhile, cratered 26% after announcing weak guidance and layoffs. Nvidia lost 1.8%, following a 6% loss a day before.

The Nasdaq is the first of the three major benchmarks to enter correction territory, down more than 10% from its record high. The S&P 500 and Dow were 5.7% and 3.9% below their all-time highs, respectively.

- In economic news.** N/A
- In other markets.** The 10-year Treasury yield fell to its lowest since December as investors flooded into bonds for safety on the fear the Federal Reserve made a mistake this week by keeping interest rates at current levels.
- Futures.** ASX futures down 115 points or 1.5% to 7770 over the weekend

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	8,170.4	8,343.8	-2.1%
ASX 200	7,943.2	8,114.7	-2.1%
ASX Emerging Companies	2,097.6	2,134.1	-1.7%

US Markets

Dow Jones	39,737.3	40,348.0	-1.5%
S&P500	5,346.6	5,446.7	-1.8%
Nasdaq	18,440.9	18,890.4	-2.4%
Russell 2000	2,109.3	2,186.1	-3.5%

Asian & European Markets

Shanghai Composite	2,905.3	2,932.4	-0.9%
Nikkei	35,909.6	38,126.3	-5.8%
Hang Seng	16,945.5	17,305.0	-2.1%
FTSE 100	8,174.7	8,283.4	-1.3%
DAX 30	17,661.2	18,069.6	-2.3%
CAC 40	7,251.8	7,370.5	-1.6%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,024.5	4,106.3	-2.0%
Communication Services	294.2	300.0	-1.9%
Consumer Discretionary	1,414.0	1,482.4	-4.6%

Economic Releases	Time	F'cast	Prior
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CHN - Caixin Composite PMI	11:45		
USA - ISM Services PMI	0:00		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.240	0.255	-5.9%
Elementos	0.105	0.098	7.1%
Frontier Energy	0.430	0.460	-6.5%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	74.02	76.76	-3.6%
Gold	2,441	2,490	-2.0%
Gold (Aus)	3,750	3,765	-0.4%
Silver	28.57	28.53	0.1%
Uranium (Spot)	82.75	84.50	-2.1%
Global X Uranium ETF	24.52	26.15	-6.2%
Sprott Uranium Miners ETF	40.52	43.09	-6.0%
Sprott Physical Uranium Trust	17.26	18.03	-4.3%
Tin (Futures)	30,188	30,056	0.4%
Copper	4.11	4.07	1.0%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,770.0	7,925.0	-2.0%
DXY Index	103.2	104.0	-0.8%
AUD/USD	0.6511	0.6497	0.2%
2-Year Treasury Yield (%)	3.886	4.156	-27 bp
10-Year Treasury Yield (%)	3.794	3.982	-19 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	23.38	18.58	25.8%