

6 August 2024

Dow tumbles 1,000pts, S&P 500 posts worst day since 2022; ASX to fall

- **Global markets.** Stocks fell sharply on Monday, with the Dow Jones Industrial Average posting its worst day in nearly two years, as worries over the health of the U.S. economy sparked a global market sell-off.

The Dow dropped 1,033.99 points, or 2.6%, to end at 38,703.27. The Nasdaq Composite lost 3.43% and closed at 16,200.08, while the S&P 500 slid 3% to end at 5,186.33. The blue-chip Dow and S&P 500 registered their biggest daily losses since September 2022.

Japan's stock market posted its worst drop since Wall Street's Black Monday in 1987, contributing to fears of global turmoil in the markets.

Fears of a U.S. recession were the main culprit for the global market meltdown after Friday's disappointing July jobs report. Investors are also concerned that the Federal Reserve is behind in cutting interest rates to bolster an economic slowdown, with the central bank choosing instead to keep rates at the highest in two decades last week.

There is also chatter about the unwind of the yen "carry trade" adding fuel to the global market decline after the Bank of Japan raised interest rates last week, reducing the interest rate differential between Japan and the U.S. That has contributed to the yen rising in value versus the dollar, ending a practice of traders borrowing in the cheap currency to buy other global assets.

If economic conditions meaningfully deteriorate, the central bank will "fix it," Goolsbee added.

Just 22 stocks in the S&P 500 were higher in the brutal session for investors.

- **In economic news.** N/A
- **In other markets.** Global bond yields were modestly higher with 10-year yields in Europe's major markets between 1 basis point and 5 basis points higher late. In New York, the yield on the US 10-year note was 1 basis point lower to 3.78 per cent, reversing an earlier modest advance.
- **Futures.** ASX futures down 49 points or 0.6% to 7554 near 6.05am AEST

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,859.4	8,170.4	-3.8%
ASX 200	7,649.6	7,943.2	-3.7%
ASX Emerging Companies	1,966.0	2,097.6	-6.3%

US Markets

Dow Jones	38,703.3	39,737.3	-2.6%
S&P500	5,186.3	5,346.6	-3.0%
Nasdaq	17,985.2	18,440.9	-2.5%
Russell 2000	2,039.2	2,109.3	-3.3%

Asian & European Markets

Shanghai Composite	2,860.7	2,905.3	-1.5%
Nikkei	31,458.4	35,909.6	-12.4%
Hang Seng	16,698.4	16,945.5	-1.5%
FTSE 100	8,008.2	8,174.7	-2.0%
DAX 30	17,339.0	17,661.2	-1.8%
CAC 40	7,149.0	7,251.8	-1.4%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,872.2	4,024.5	-3.8%
Communication Services	284.2	294.2	-3.4%
Consumer Discretionary	1,370.6	1,414.0	-3.1%

Economic Releases	Time	F'cast	Prior
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AUS - RBA Interest Rate Decision	2:00	4.35%	4.35%
Euro - Retail Sales YoY	19:00	0.20%	0.30%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.240	0.240	0.0%
Elementos	0.105	0.105	0.0%
Frontier Energy	0.430	0.430	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	74.19	74.02	0.2%
Gold	2,410	2,441	-1.3%
Gold (Aus)	3,698	3,750	-1.4%
Silver	27.27	28.57	-4.6%
Uranium (Spot)	83.00	82.75	0.3%
Global X Uranium ETF	23.94	24.52	-2.4%
Sprott Uranium Miners ETF	39.96	40.52	-1.4%
Sprott Physical Uranium Trust	17.26	17.26	0.0%
Tin (Futures)	30,188	30,188	0.0%
Copper	4.02	4.11	-2.1%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,576.0	7,770.0	-2.5%
DX Index	103.2	103.2	0.0%
AUD/USD	0.6511	0.6511	0.0%
2-Year Treasury Yield (%)	3.902	3.886	2 bp
10-Year Treasury Yield (%)	3.779	3.794	-2 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	38.56	23.38	64.9%