

9 August 2024

S&P 500 notches its best day since 2022 as recession fears fade ; ASX to rise

- **Global markets.** Stocks climbed Thursday after new labor market data boosted investors' confidence in the U.S. economy following a sharp market sell-off earlier in the week.

The S&P 500 advanced 2.3%, closing at 5,319.31 and posting its best day since November 2022. The Dow Jones Industrial Average surged 683.04 points, or 1.76%, to 39,446.49. The Nasdaq Composite added 2.87%, ending at 16,660.02.

The latest weekly jobless claims came in below forecasts, helping to allay some recent concerns on the strength of the labor market. First-time filings for jobless benefits came in at 233,000 last week, down 17,000 from the previous week and lower than the Dow Jones estimate for 240,000, the Labor Department reported Thursday.

Also aiding markets Thursday was a weaker Japanese yen versus the U.S. dollar. A yen surge that caused the unwinding of a popular so-called carry trade with hedge funds was a main culprit cited for Monday's stock drop.

On the rally following the fresh jobless claims numbers, Young said that indicates the market is "even more sensitive to all of the data that's coming in, which also tells me that we're going to see more volatility as we get data that might conflict."

The major averages are still lower week to date but have recovered much of their losses from Monday's rout. The S&P 500 is down 0.5% for the week, while the Dow and Nasdaq are lower by around 0.7% each.

- **In economic news.** No local data
- **Overseas data:** China July CPI and PPI; German July CPI
- **In other markets.** The Australian dollar rallied 1.1 per cent overnight to trade at US65.89¢, the highest in two weeks. Oil futures rose for the third session, with growing supply risks in the Middle East offsetting demand concerns. Gold prices jumped on safe-haven demand and growing expectations for a sizeable interest rate cut from the US Federal Reserve in September. Markets imply a 78 per cent chance of 50 basis points cut in September.
- **Futures.** ASX futures up 81 points or 1.1% to 7722 near 7am AEST

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,886.5	7,913.1	-0.3%
ASX 200	7,682.0	7,699.8	-0.2%
ASX Emerging Companies	1,957.2	1,992.3	-1.8%

US Markets

Dow Jones	39,446.5	38,763.5	1.8%
S&P500	5,319.3	5,199.5	2.3%
Nasdaq	18,413.8	17,867.4	3.1%
Russell 2000	2,084.4	2,035.1	2.4%

Asian & European Markets

Shanghai Composite	2,869.9	2,869.8	0.0%
Nikkei	34,831.1	35,089.6	-0.7%
Hang Seng	16,891.8	16,877.9	0.1%
FTSE 100	8,145.0	8,166.9	-0.3%
DAX 30	17,680.4	17,615.2	0.4%
CAC 40	7,247.5	7,266.0	-0.3%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,989.6	3,861.9	3.3%
Communication Services	293.6	286.7	2.4%
Consumer Discretionary	1,394.0	1,364.9	2.1%

Economic Releases	Time	F'cast	Prior
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CHN - Inflation Rate YoY	11:30	0.30%	0.20%
CHN - PPI YoY	11:30	0.30%	-0.20%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.220	0.230	-4.3%
Elementos	0.099	0.100	-1.0%
Frontier Energy	0.415	0.410	1.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	76.06	75.44	0.8%
Gold	2,464	2,383	3.4%
Gold (Aus)	3,678	3,657	0.6%
Silver	27.51	26.58	3.5%
Uranium (Spot)	83.00	83.00	0.0%
Global X Uranium ETF	24.69	24.24	1.9%
Sprott Uranium Miners ETF	40.53	39.90	1.6%
Sprott Physical Uranium Trust	18.28	17.88	2.2%
Tin (Futures)	29,991	29,484	1.7%
Copper	3.98	3.93	1.3%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,722.0	7,598.0	1.6%
DXY Index	103.2	102.9	0.2%
AUD/USD	0.6590	0.6517	1.1%
2-Year Treasury Yield (%)	4.036	3.983	5 bp
10-Year Treasury Yield (%)	3.990	3.953	4 bp
US 2-10-Year Spread	-0.197	-0.197	0 bp
VIX Index	23.78	27.84	-14.6%