

12 September 2024

S&P500 up, Nasdaq closes 2% higher in rebound from CPI report; ASX to rise

- Global markets.** Stocks rose Wednesday in a bout of volatile trading, as investors weighed what the latest U.S. inflation data means for Federal Reserve policy. Tech shares led a rebound from steep session lows.

The S&P 500 gained 1.07% to close at 5,554.13. Wednesday marked the first time since October 2022 that the broad market index dropped 1% on an intraday basis and then closed higher by more than 1%.

The 30-stock Dow added 124.75 points, or 0.31%, to end at 40,861.71. At its low, the blue-chip index lost as much as 743.89 points. The Nasdaq Composite added 2.17%, wiping out its earlier losses to close at 17,395.53.

Stocks initially tumbled after the core reading on the consumer price index — which strips out volatile food and energy categories — rose slightly more than expected. This dampened investor hopes for a half-point rate cut from the Federal Reserve. Traders are now pricing in an 85% chance that the central bank will approve a 25 basis-point interest rate reduction at its Sept. 17-18 meeting, according to the CME Group's FedWatch measure. Overall CPI, however, hit its lowest annualized level since February 2021.

The new data comes as investors grapple with seasonal headwinds. September has been the worst month for the S&P 500 over the last 10 years, averaging a loss of more than 1% during that time. The broad-market index has also posted a loss in September in the last four years.

- In economic news.** Local: NZ August food prices and credit card spending at 8.45am

Overseas data: Japan August PPI at 9.50am; US August PPI and weekly jobless claims at 10.30pm; European Central Bank president Christine Lagarde holds a press conference at 10.45pm

- In other markets.** The Australian dollar bounced 0.3 per cent to US66.75¢. Australian government bond yields retreated, with the policy-sensitive three-year return hitting a six-week low of 3.05 per cent and the 10-year down to 3.87 per cent.
- Futures.** ASX futures were up 50 points or 0.6 per cent near 7am AEST.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	8,195.2	8,217.0	-0.3%
ASX 200	7,987.9	8,011.9	-0.3%
ASX Emerging Companies	2,108.7	2,105.7	0.1%

US Markets

Dow Jones	40,861.7	40,737.0	0.3%
S&P500	5,554.1	5,495.5	1.1%
Nasdaq	19,237.3	18,829.1	2.2%
Russell 2000	2,097.0	2,097.0	0.0%

Asian & European Markets

Shanghai Composite	2,721.8	2,744.2	-0.8%
Nikkei	35,619.7	36,159.1	-1.5%
Hang Seng	17,108.7	17,234.1	-0.7%
FTSE 100	8,194.0	8,206.0	-0.1%
DAX 30	18,330.3	18,265.9	0.4%
CAC 40	7,396.8	7,407.6	-0.1%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,234.9	4,101.7	3.2%
Communication Services	289.1	286.2	1.0%
Consumer Discretionary	1,521.5	1,501.6	1.3%

Economic Releases	Time	F'cast	Prior
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AUD - Consumer Inflation Expectations	11:00		4.50%
USD - Initial Jobless Claims	22:30		
USD - Producer Price Index YoY	22:30	1.80%	2.2%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.250	0.240	4.2%
Elementos	0.088	0.088	0.0%
Frontier Energy	0.220	0.220	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	67.28	66.31	1.5%
Gold	2,540	2,546	-0.3%
Gold (Aus)	3,763	3,783	-0.5%
Silver	28.72	28.42	1.1%
Uranium (Spot)	83.00	83.00	0.0%
Global X Uranium ETF	25.34	24.10	5.1%
Sprott Uranium Miners ETF	41.41	38.75	6.9%
Sprott Physical Uranium Trust	17.98	17.32	3.8%
Tin (Futures)	30,550	30,818	-0.9%
Copper	4.16	4.10	1.5%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	8,026.00	8,008.00	0.2%
DX Index	101.7	101.6	0.1%
AUD/USD	0.6677	0.6655	0.3%
2-Year Treasury Yield (%)	3.65	3.60	5 bp
10-Year Treasury Yield (%)	3.66	3.64	2 bp
US 2-10-Year Spread	0.01	0.04	-3 bp
VIX Index	17.70	19.07	-7.2%