

18 September 2024

S&P500 notching all time high ahead of key Fed decision; ASX to fall

- Global markets.** The S&P 500 ended Tuesday near the flatline after hitting a record high as the market awaited the Federal Reserve's key interest rate cut decision.

The broad market index closed higher by 0.03% at 5,634.58, after earlier touching an all-time high of 5,670.81. The Dow Jones Industrial Average inched down 15.9 points, or 0.04%, to close at 41,606.18. The 30-stock index also hit a fresh record during the session. The Nasdaq Composite advanced 0.2% and ended at 17,628.06.

The fresh records for the S&P 500 and the Dow come during a historically tough period for the market. September has been the worst month for the benchmark over the past 10 years, averaging a 1.3% monthly loss, according to FactSet data.

The latest retail sales data indicated solid consumer health. Retail sales rose 0.1% in August versus economists' estimates for a 0.2% decline, according to Dow Jones. Excluding autos, the number also came in at a 0.1% increase, which slightly missed the 0.2% consensus forecast.

While investors expect a cut Wednesday, the market is divided on the size of the potential reduction.

Traders are currently pricing in a 63% chance that the central bank eases rates by 50 basis points, according to CME Group's FedWatch Tool. That is up from a roughly 47% chance Friday, but slightly lower than the 67% earlier forecast on Tuesday. One basis point equals 0.01%.

A steeper rate cut may spark concerns about the health of the economy, according to some investors.

- In stock news.** Local: Speech by Brad Jones, RBA assistant governor (financial system).
Overseas data: UK August CPI at 4pm; Eurozone August final CPI at 7pm; US August housing starts at 10.30pm; Fed policy statement at 4am AEST on Thursday.
- In other markets.** Australian government bond yields tracked US Treasuries higher, with the policy-sensitive three-year return climbing to 3.46 per cent and the 10-year return rising to 3.78 per cent.
- Futures.** ASX futures are down 39 points, or 0.5 per cent near 7am AEST. The benchmark S&P/ASX 200 closed at a fresh all-time high of 8140.9 on Tuesday.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	8,361.2	8,341.1	0.2%
ASX 200	2,154.8	8,121.6	-73.5%
ASX Emerging Companies	2,154.8	2,150.7	0.2%

US Markets

Dow Jones	41,606.2	41,622.1	0.0%
S&P500	5,634.6	5,633.1	0.0%
Nasdaq	19,432.4	19,423.1	0.0%
Russell 2000	2,205.5	2,189.2	0.7%

Asian & European Markets

Shanghai Composite	2,704.1	2,704.1	0.0%
Nikkei	36,203.2	36,581.7	-1.0%
Hang Seng	17,660.0	17,369.1	1.7%
FTSE 100	8,309.9	8,278.5	0.4%
DAX 30	18,726.1	18,633.1	0.5%
CAC 40	7,487.4	7,449.5	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	4,242.8	4,246.7	-0.1%
Communication Services	301.8	300.6	0.4%
Consumer Discretionary	1,551.4	1,541.8	0.6%

Economic Releases	Time	F'cast	Prior
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GBP - CPI YoY	16:00	2.20%	2.20%
GBP - Retail Price Index YoY	16:00	3.40%	3.60%

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.240	0.240	0.0%
Elementos	0.089	0.089	0.0%
Frontier Energy	0.235	0.230	2.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	69.90	70.43	-0.8%
Gold	2,597	2,610	-0.5%
Gold (Aus)	3,804	3,825	-0.5%
Silver	30.72	30.76	-0.1%
Uranium (Spot)	83.00	83.00	0.0%
Global X Uranium ETF	25.27	25.61	-1.3%
Sprott Uranium Miners ETF	40.20	40.97	-1.9%
Sprott Physical Uranium Trust	17.81	17.98	-0.9%
Tin (Futures)	31,805	31,805	0.0%
Copper	4.28	4.27	0.2%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	8,167.00	8,168.00	0.0%
DX Index	100.7	101.1	-0.4%
AUD/USD	0.6758	0.6752	0.1%
2-Year Treasury Yield (%)	3.61	3.56	5 bp
10-Year Treasury Yield (%)	3.65	3.62	3 bp
US 2-10-Year Spread	0.04	0.06	-2 bp
VIX Index	17.60	17.13	2.7%