

23 September 2024

Dow rises to close at fresh record after big Fed rate cut; ASX to fall

- Global markets.** The Dow Jones Industrial Average eked out a gain and closed at a record on Friday, capping a big rally for the week that came after the first major easing of interest rate policy by the Federal Reserve in four years.

The 30-stock Dow inched up 38.17 points, or 0.09%, for a new closing high of 42,063.36. The S&P 500 pulled back 0.19%, ending at 5,702.55, and the Nasdaq Composite dropped 0.36% to end at 17,948.32. On Thursday, the Dow hit a record above 42,000, and the S&P 500 climbed above 5,700 for the first time.

The three major averages notched weekly gains. The S&P 500 rose 1.36%, posting its fifth positive week over the past six weeks. The index is up more than 19% in 2024. The Dow ended the week higher by 1.62%, while the tech-heavy Nasdaq advanced 1.49%.

On Wednesday afternoon, the Federal Reserve slashed interest rates by a supersized half point, its first cut since 2020. In a delayed reaction, the market climbed higher Thursday as investors crowded into tech names such as Nvidia and shares set to benefit from lower rates such as Home Depot.

Fed Governor Christopher Waller, in the first comments by a member of the Fed since Chair Jerome Powell's press conference, said to CNBC on Friday that inflation is coming down faster than he expected, causing him to be in favor of the half-point cut.

- In economic news.** N/A
- In other markets.** In currencies, the Australian dollar stood tall at US68¢, having lifted 1.5 per cent last week thanks to interest rate differentials between the US and Australia. Australian government bond yields tracked US Treasuries lower, with the policy-sensitive three-year return at 3.5 per cent and the 10-year at 3.92 per cent.
- Brent futures eased 0.52 per cent to \$US74.49 a barrel and West Texas Intermediate crude futures down 0.4 per cent to \$US71.92.
- Futures.** Futures indicate the S&P/ASX 200 will drop 0.8 per cent, or 68 points, at the opening bell on Monday.

| World Indices | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

| Local Markets | | | |
|---------------|--|--|--|
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|------------------------|---------|---------|------|
| All Ordinaries | 8,437.2 | 8,417.0 | 0.2% |
| ASX 200 | 8,209.5 | 8,191.9 | 0.2% |
| ASX Emerging Companies | 2,208.5 | 2,195.1 | 0.6% |

| US Markets | | | |
|------------|--|--|--|
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|--------------|----------|----------|-------|
| Dow Jones | 42,063.4 | 42,025.2 | 0.1% |
| S&P500 | 5,702.5 | 5,713.7 | -0.2% |
| Nasdaq | 19,791.5 | 19,839.8 | -0.2% |
| Russell 2000 | 2,227.9 | 2,252.7 | -1.1% |

| Asian & European Markets | | | |
|--------------------------|--|--|--|
|--------------------------|--|--|--|

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|--------------------|----------|----------|-------|
| Shanghai Composite | 2,736.8 | 2,736.0 | 0.0% |
| Nikkei | 37,723.8 | 37,155.3 | 1.5% |
| Hang Seng | 18,258.6 | 18,013.2 | 1.4% |
| FTSE 100 | 8,230.0 | 8,328.7 | -1.2% |
| DAX 30 | 18,720.0 | 19,002.4 | -1.5% |
| CAC 40 | 7,500.3 | 7,615.4 | -1.5% |

| S&P500 Sectors | Close | Prior | % Δ |
|----------------|-------|-------|-----|
|----------------|-------|-------|-----|

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|------------------------|---------|---------|-------|
| Information Technology | 4,329.4 | 4,351.3 | -0.5% |
| Communication Services | 309.0 | 307.6 | 0.5% |
| Consumer Discretionary | 1,585.2 | 1,582.5 | 0.2% |

| Economic Releases | Time | F'cast | Prior |
|-------------------|------|--------|-------|
|-------------------|------|--------|-------|

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|------------------------------------|-------|--|--|
| AUD - Judo Bank Composite PMI | 9:00 | | |
| EUR - HCOB Manufacturing PMI | 18:00 | | |
| USD - S&P Global Manufacturing PMI | 23:45 | | |

| Key BW Names | Close | Prior | % Δ |
|--------------|-------|-------|-----|
|--------------|-------|-------|-----|

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|-----------------|-------|-------|-------|
| Lotus Resources | 0.230 | 0.250 | -8.0% |
| Elementos | 0.085 | 0.085 | 0.0% |
| Frontier Energy | 0.240 | 0.235 | 2.1% |

| Commodities | Close | Prior | % Δ |
|-------------|-------|-------|-----|
|-------------|-------|-------|-----|

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|-------------------------------|--------|--------|-------|
| Oil - West Texas Crude | 70.94 | 71.07 | -0.2% |
| Gold | 2,645 | 2,612 | 1.2% |
| Gold (Aus) | 3,849 | 3,799 | 1.3% |
| Silver | 31.06 | 30.79 | 0.9% |
| Uranium (Spot) | 83.00 | 83.00 | 0.0% |
| Global X Uranium ETF | 27.18 | 26.10 | 4.1% |
| Sprott Uranium Miners ETF | 43.07 | 41.54 | 3.7% |
| Sprott Physical Uranium Trust | 18.80 | 18.16 | 3.5% |
| Tin (Futures) | 31,823 | 31,594 | 0.7% |
| Copper | 4.32 | 4.34 | -0.4% |

| Other Markets | Close | Prior | % Δ |
|---------------|-------|-------|-----|
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| SPI200 Futures | 8,190.00 | 8,281.00 | -1.1% |
| DX Index | 100.7 | 100.9 | -0.2% |
| AUD/USD | 0.6805 | 0.6810 | -0.1% |
| 2-Year Treasury Yield (%) | 3.60 | 3.59 | 1 bp |
| 10-Year Treasury Yield (%) | 3.74 | 3.72 | 2 bp |
| US 2-10-Year Spread | 0.14 | 0.13 | 1 bp |
| VIX Index | 17.75 | 16.34 | 8.6% |