

4 September 2024

Dow closes 600pts lower to begin September, S&P500 drops 2%; ASX to fall

- **Global markets.** Stocks tumbled Tuesday as technology names struggled and new economic data rekindled fears around the health of the economy.

The Dow Jones Industrial Average fell 626.15 points, or 1.51%, to end at 40,936.93. The S&P 500 slid 2.12%, closing at 5,528.93. The Nasdaq Composite dropped 3.26% and settled at 17,136.30. All three indexes notched their worst days since the global sell-off on Aug. 5.

Chip stocks weighed on the market, with high-flying Nvidia dropping more than 9%. Micron, KLA and Advanced Micro Devices also saw declines in the session.

As a whole, the VanEck Semiconductor ETF (SMH) slid more than 7%. The S&P 500's information technology sector led the broad index lower and saw its worst day since September 2022.

The market initially took a leg down Tuesday morning after two readings of manufacturing production showed signs of weakness. S&P Global's showed a decline from July to August, while the Institute for Supply Management's came in under the level anticipated by economists polled by Dow Jones. This data reignited concerns around slowing growth within the U.S. economy, which helped drive a closely watched sell-off early last month.

This action comes ahead of the first major economic release of the month on Friday, when the U.S. government releases the August jobs report. Wall Street will also have to contend with seasonal headwinds, as September has been the worst month on average for the S&P 500 over the last 10 years.

- **In economic news.** Local: Second-quarter GDP at 11.30am
Overseas data: PMI composite or services data on Japan, China and France; US July trade balance at 10.30pm; Bank of Canada rate decision at 11.45pm; US JOLTS job openings, factory orders, durables good orders and Fed Beige Book.
- **In other markets.** Brent crude shed almost 5 per cent, falling below \$US74 a barrel. Iron ore extended its retreat, shedding another 3.5 per cent in Singapore and trading to \$US93.45 a tonne. The Australian dollar dropped more than 1 per cent.
- **Futures.** ASX futures were down 94 points, or 1.2 per cent, near 7am AEST.

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

Local Markets

All Ordinaries	8,322.7	8,316.7	0.1%
ASX 200	8,103.2	8,091.9	0.1%
ASX Emerging Companies	2,162.7	2,178.7	-0.7%

US Markets

Dow Jones	40,936.9	41,563.1	-1.5%
S&P500	5,528.9	5,648.4	-2.1%
Nasdaq	18,958.7	19,574.6	-3.1%
Russell 2000	2,149.2	2,217.6	-3.1%

Asian & European Markets

Shanghai Composite	2,803.0	2,842.2	-1.4%
Nikkei	38,686.1	38,647.7	0.1%
Hang Seng	17,651.5	17,989.1	-1.9%
FTSE 100	8,298.5	8,376.6	-0.9%
DAX 30	18,747.1	18,906.9	-0.8%
CAC 40	7,575.1	7,631.0	-0.7%

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

Information Technology	4,108.1	4,298.5	-4.4%
Communication Services	293.9	300.7	-2.3%
Consumer Discretionary	1,479.3	1,500.2	-1.4%

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

USA - ISM Manufacturing PMI	0:00		
USA - Construction Spending MoM	0:00	0.10%	-0.30%

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

Lotus Resources	0.225	0.230	-2.2%
Elementos	0.093	0.088	5.7%
Frontier Energy	0.240	0.245	-2.0%

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

Oil - West Texas Crude	70.32	73.01	-3.7%
Gold	2,524	2,503	0.8%
Gold (Aus)	3,713	3,698	0.4%
Silver	28.03	28.84	-2.8%
Uranium (Spot)	83.00	83.00	0.0%
Global X Uranium ETF	24.25	25.90	-6.4%
Sprott Uranium Miners ETF	39.02	41.85	-6.8%
Sprott Physical Uranium Trust	17.35	18.29	-5.1%
Tin (Futures)	31,384	32,346	-3.0%
Copper	4.09	4.21	-2.8%

Other Markets	Close	Prior	% Δ
---------------	-------	-------	-----

SPI200 Futures	7,971.00	8,031.00	-0.7%
DXY Index	101.6	101.7	-0.1%
AUD/USD	0.6713	0.6767	-0.8%
2-Year Treasury Yield (%)	3.87	3.92	-6 bp
10-Year Treasury Yield (%)	3.83	3.91	-7 bp
US 2-10-Year Spread	-0.03	-0.01	-2 bp
VIX Index	20.71	15.01	38.0%