

6 September 2024

Dow falls 200pts on growth fears as jobs data awaited; ASX to edge higher

- Global markets.** Stocks struggled Thursday as investors dumped risk assets and concerns mounted over the outlook for the U.S. economy ahead of Friday's keynote labor report.

The S&P 500 dipped 0.3% to end at 5,503.41, while the Dow Jones Industrial Average lost 219.22 points, or 0.54%, to settle at 40,755.75. The Nasdaq Composite gained 0.25% to finish at 17,127.66, after rising as much as 1.2% earlier in the session.

Fresh labor market data Thursday sent mixed signals about the health of the U.S. economy as questions linger over whether the Federal Reserve is behind the curve on rate cuts. Private payrolls data showed the weakest growth since 2021, heightening fears of a slowing labor market. However, weekly claims for unemployment benefits declined from the previous week.

The market has shown hypersensitivity to potential growth scares in recent weeks, including Tuesday's sell-off on the heels of weak manufacturing data. That puts heightened scrutiny on labor market data, with all eyes on Friday's August nonfarm payrolls report. A weak July report released last month spurred recession fears and a raft of volatility in August.

Thursday's moves come after the S&P 500 and Nasdaq Composite each closed lower for the second straight session. The Dow squeezed out a small gain. All three averages are down for the week.

- In economic news.** Local: July home loans value at 11.30am
 Overseas data: German July industrial production at 4pm; Eurozone final second-quarter GDP at 7pm; US August jobs report at 10.30pm
- In other markets.** Iron ore extended its slump towards the \$US90 a tonne level, oil fluctuated and gold edged back above the \$US2500 an ounce mark. In a note, Marex said iron ore's latest decline came as China's main steel industry group advised mills to be cautious in boosting output too quickly to avoid snuffing out a September-October recovery.
- Futures.** ASX futures were up 9 points, or 0.1 per cent, near 7am AEST.

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

Local Markets	Close	Prior	% Δ
---------------	-------	-------	-----

All Ordinaries	8,187.7	8,157.0	0.4%
ASX 200	7,982.4	7,950.5	0.4%
ASX Emerging Companies	2,096.7	2,098.8	-0.1%

US Markets	Close	Prior	% Δ
------------	-------	-------	-----

Dow Jones	40,755.8	40,975.0	-0.5%
S&P500	5,503.4	5,520.1	-0.3%
Nasdaq	18,930.3	18,921.4	0.0%
Russell 2000	2,132.0	2,145.2	-0.6%

Asian & European Markets	Close	Prior	% Δ
--------------------------	-------	-------	-----

Shanghai Composite	2,788.3	2,784.3	0.1%
Nikkei	36,657.0	37,047.5	-1.1%
Hang Seng	17,444.3	17,457.4	-0.1%
FTSE 100	8,241.7	8,269.6	-0.3%
DAX 30	18,576.5	18,591.9	-0.1%
CAC 40	7,432.0	7,501.0	-0.9%

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

Information Technology	4,093.2	4,091.3	0.0%
Communication Services	294.3	292.8	0.5%
Consumer Discretionary	1,499.3	1,478.5	1.4%

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

USA - Non Farm Payrolls	22:30		
USA - Unemployment Rate	22:30	4.20%	4.30%

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

Lotus Resources	0.205	0.210	-2.4%
Elementos	0.088	0.093	-5.4%
Frontier Energy	0.225	0.240	-6.2%

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

Oil - West Texas Crude	69.28	69.28	0.0%
Gold	2,545	2,525	0.8%
Gold (Aus)	3,733	3,716	0.5%
Silver	28.81	28.27	1.9%
Uranium (Spot)	83.00	83.00	0.0%
Global X Uranium ETF	24.06	24.55	-2.0%
Sprott Uranium Miners ETF	38.77	39.58	-2.0%
Sprott Physical Uranium Trust	17.70	18.15	-2.5%
Tin (Futures)	30,499	30,745	-0.8%
Copper	4.14	4.08	1.5%

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

SPI200 Futures	7,961.00	7,940.00	0.3%
DXY Index	101.3	101.8	-0.5%
AUD/USD	0.6739	0.6716	0.3%
2-Year Treasury Yield (%)	3.74	3.77	-3 bp
10-Year Treasury Yield (%)	3.73	3.76	-3 bp
US 2-10-Year Spread	-0.01	-0.01	0 bp
VIX Index	19.89	21.33	-6.8%