

15 November 2024

Dow drops 200pts as Powell signals caution on rate cuts; ASX to rise

- Global markets.** U.S. stocks slid on Thursday, as Federal Reserve Chair Jerome Powell signaled that the strength of the economy could warrant some patience with future rate cuts.

The Dow Jones Industrial Average slipped 207.33 points, or 0.47%, to close at 43,750.86. The S&P 500 fell 0.6% to end at 5,949.17, while the Nasdaq Composite pulled back 0.64% to 19,107.65.

Stocks took a leg lower after Federal Reserve Chairman Jerome Powell said in Dallas the central bank didn't need to be "in a hurry" to slash rates. The 30-stock Dow was down more than 250 points at the session low.

Fed funds futures trading reflected a decline in odds for a quarter-point cut at the central bank's December meeting, sliding to about 62% on Thursday afternoon. That's down from 82.5% earlier in the day.

PPI excluding food and energy ran faster than forecast. The October consumer price index came in as expected on Wednesday, but nevertheless signaled the Federal Reserve's fight against inflation is yet to be won. Core CPI rose by 0.3% for a third straight month, with the 12-month rate at 3.3%.

Investors are deliberating whether a postelection rally following Donald Trump's decisive victory last week still has room to run after powering the major averages to new milestones. The Dow closed above 44,000 for the first time on Monday, and both the S&P 500 and Nasdaq Composite notched new highs.

- In economic news.** Overseas data: Japan third quarter GDP at 10.50am; China October retail sales, industrial production, fixed assets at 1pm; UK monthly, quarterly GDP at 6pm; US October retail sales, industrial production at 12.30am AEDT on Saturday
- In other markets.** Iron ore was 2.1 per cent lower to \$US98.45 a tonne in Singapore on Thursday. In a note, ANZ Research said it expected both iron ore and copper prices to steady because of China's strong impetus to stockpile key commodities is mitigating the impact of its slowing economy on global commodity demand.
- Futures.** ASX futures were up 49 points or 0.6 per cent near 7.20am AEDT.

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

Local Markets

All Ordinaries	8,479.9	8,518.9	-0.5%
ASX 200	8,224.0	8,266.2	-0.5%
ASX Emerging Companies	2,255.1	2,297.0	-1.8%

US Markets

Dow Jones	43,750.9	44,293.1	-1.2%
S&P500	5,949.2	6,001.3	-0.9%
Nasdaq	20,866.7	21,106.6	-1.1%
Russell 2000	2,336.9	2,435.0	-4.0%

Asian & European Markets

Shanghai Composite	3,379.8	3,470.1	-2.6%
Nikkei	38,535.7	39,533.1	-2.5%
Hang Seng	19,435.8	20,426.9	-4.9%
FTSE 100	8,071.2	8,125.2	-0.7%
DAX 30	19,263.7	19,448.6	-1.0%
CAC 40	7,311.8	7,426.9	-1.5%

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

Information Technology	4,592.3	4,583.7	0.2%
Communication Services	331.1	333.4	-0.7%
Consumer Discretionary	1,745.5	1,772.1	-1.5%

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

CNY - Industrial Production YoY	13:00	5.60%	5.40%
---------------------------------	-------	-------	-------

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

Lotus Resources	0.225	0.240	-6.2%
Elementos	0.007	0.068	-89.6%
Frontier Energy	0.130	0.135	-3.7%

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

Oil - West Texas Crude	68.57	68.07	0.7%
Gold	2,573	2,617	-1.7%
Gold (Aus)	3,974	3,984	-0.3%
Silver	30.44	30.37	0.2%
Uranium (Spot)	79.00	79.00	0.0%
Global X Uranium ETF	30.40	30.52	-0.4%
Sprott Uranium Miners ETF	45.33	45.91	-1.3%
Sprott Physical Uranium Trust	18.15	17.00	6.8%
Tin (Futures)	29,663	31,648	-6.3%
Copper	4.09	4.23	-3.3%

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

SPI200 Futures	8,307.0	8,291.0	0.2%
DX Index	106.5	105.0	1.5%
AUD/USD	0.6453	0.6574	-1.8%
2-Year Treasury Yield (%)	4.36	4.29	7 bp
10-Year Treasury Yield (%)	4.45	4.34	11 bp
US 2-10-Year Spread	0.09	0.04	5 bp
VIX Index	14.30	14.96	-4.4%

