

Dow tanks by 1,100pts, posts 10 losing streak since 1974; ASX to drop

- Global markets.** The Dow Jones Industrial Average sank deeper into the history books on Wednesday, with the index posting its 10th straight losing day as a disappointing rate outlook by the Federal Reserve rocked the stock market.

The Dow lost 1,123.03 points, or 2.58%, to 42,326.87, for its worst losing streak since an 11-day slide in 1974. The Wednesday decline was its worst since August and only the second time it lost 1,000 points this year in one session. The S&P 500 lost 2.95% to 5,872.16 and the Nasdaq Composite shed 3.56% to 19,392.69 with losses intensifying into the close of trading.

The central bank reduced its overnight borrowing rate by a quarter point to a target range of 4.25% to 4.5%, as expected. However, the Fed indicated Wednesday afternoon it would only cut rates twice in 2025, fewer than the four cuts given in its last forecast. Fed Chair Jerome Powell said the central bank's move to cut rates in recent months allows it to "be more cautious as we consider more adjustments to our policy rate."

Before Wednesday, traders were hoping the Fed would stay aggressive with rate cuts in 2025, fueling the bull market further. Treasury yields jumped following the Fed's cautious outlook, pressuring share prices. The 10-year Treasury yield crossed above 4.50%.

The Dow's losing streak began the session after it closed above 45,000 for the first time ever on Dec. 4. The total losses for the Dow during its losing streak have totaled 6%.

Before it intensified on Wednesday, the Dow's worst funk in decades was mostly caused by a rotation out of old economy shares and into technology stocks, a sector that the century-old measure underweights compared to broader market metrics.

But the whole market was rocked on Wednesday. The S&P 500's loss was also its worst since August and cut its 2024 gain to 23%.

- In economic news.**
- In other markets.** The Australian dollar tumbled more than 1 per cent to trade at US62.37¢ as the US dollar spiked. Bitcoin also retreated.
- Futures.** The S&P/ASX 200 dropped 79.5 points, or 1 per cent, to 8,229.9 in the first 10 minutes of trade.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,482.9	8,558.6	-0.9%
ASX 200	8,232.8	8,314.0	-1.0%
ASX Emerging Companies	2,235.8	2,239.3	-0.2%

<u>US Markets</u>			
Dow Jones	42,326.9	43,449.9	-2.6%
S&P500	5,872.2	6,050.6	-2.9%
Nasdaq	21,209.3	22,001.1	-3.6%
Russell 2000	2,231.5	2,334.1	-4.4%

<u>Asian & European Markets</u>			
Shanghai Composite	3,382.2	3,361.5	0.6%
Nikkei	39,081.7	39,364.7	-0.7%
Hang Seng	19,864.6	19,700.5	0.8%
FTSE 100	8,199.1	8,195.2	0.0%
DAX 30	20,242.6	20,246.4	0.0%
CAC 40	7,384.6	7,365.7	0.3%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	4,590.3	4,731.9	-3.0%
Communication Services	343.2	354.4	-3.2%
Consumer Discretionary	1,866.8	1,959.2	-4.7%

Economic Releases	Time	F'cast	Prior
USD - GDP YoY	0:30	2.80%	2.80%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.185	0.195	-5.1%
Elementos	0.072	0.071	1.4%
Frontier Energy	0.110	0.110	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	69.42	69.71	-0.4%
Gold	2,604	2,663	-2.2%
Gold (Aus)	4,169	4,176	-0.2%
Silver	29.35	30.54	-3.9%
Uranium (Spot)	76.00	76.00	0.0%
Global X Uranium ETF	27.80	28.71	-3.2%
Sprott Uranium Miners ETF	40.50	41.74	-3.0%
Sprott Physical Uranium Trust	16.89	17.02	-0.8%
Tin (Futures)	29,047	29,246	-0.7%
Copper	4.10	4.15	-1.2%

Other Markets	Close	Prior	% Δ
SPI200 Futures	8,170.0	8,319.0	-1.8%
DX Index	106.9	106.9	0.1%
AUD/USD	0.6215	0.6336	-1.9%
2-Year Treasury Yield (%)	4.36	4.25	11 bp
10-Year Treasury Yield (%)	4.52	4.40	12 bp
US 2-10-Year Spread	0.16	0.15	1 bp
VIX Index	27.61	15.88	73.9%