

20 March 2025

Dow up nearly 400pts, Fed says 2 rate cuts on the cards for 2025; ASX to rise

- Global markets.** Stocks rallied on Wednesday, with the S&P 500 clawing back more of the rout since late February that took the benchmark briefly into correction territory, as the Federal Reserve forecast it would still cut interest rates two times in 2025.

The Dow Jones Industrial Average climbed 383.32 points, or 0.92%, and closed at 41,964.63.

The S&P 500 jumped 1.08% to end at 5,675.29, and the Nasdaq Composite advanced 1.41% to settle at 17,750.79.

The central bank kept the federal funds rate at a range of 4.25% to 4.5%, a decision that was widely expected. That said, the Fed kept its outlook at two rate cuts coming in the remainder of this year, noting “uncertainty around the economic outlook has increased.”

The Fed’s decision comes against a backdrop of rising tensions between the U.S. and major trade partners. President Donald Trump earlier this month imposed levies on goods from Canada, Mexico and China. Canada and China have since retaliated with duties of their own.

Investors are coming off a rough Tuesday, which saw the recent market sell-off come back in full force after two winning sessions. The Dow and the S&P 500 are more than 6% and more than 7%, respectively, below their recent closing highs. The Nasdaq, meanwhile, is roughly 12% off its record close.

- In economic news.** Overseas, markets await policy statements from central bankers in Switzerland, Sweden and the Bank of England. The US is set to release weekly jobless claims, leading index and existing home sales data.
- In other markets.**
 - Bitcoin** +4.7% to \$US85,829
 - VIX** -1.87 to 19.83
 - Gold** +0.4% to \$US3046.26 an ounce
 - Brent oil** +0.4% to \$US70.87 a barrel
 - Iron ore** -1.7% to \$US100.40 a tonne
 - 10-year yield: US** 4.24% **Australia** 4.42%
- Futures.** ASX futures are pointing up 53 points or 0.7 per cent to 7936.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,055.3	8,002.6	0.7%
ASX 200	7,828.3	7,786.2	0.5%
ASX Emerging Companies	2,225.0	2,162.7	2.9%

<u>US Markets</u>			
Dow Jones	41,964.6	41,350.9	1.5%
S&P500	5,675.3	5,599.3	1.4%
Nasdaq	19,736.7	19,596.0	0.7%
Russell 2000	2,082.1	2,026.5	2.7%

<u>Asian & European Markets</u>			
Shanghai Composite	3,426.4	3,371.9	1.6%
Nikkei	37,751.9	36,819.0	2.5%
Hang Seng	24,771.1	23,600.3	5.0%
FTSE 100	8,706.7	8,541.0	1.9%
DAX 30	23,288.1	22,676.4	2.7%
CAC 40	8,171.5	7,989.0	2.3%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	4,112.8	4,061.2	1.3%
Communication Services	327.4	332.3	-1.5%
Consumer Discretionary	1,570.6	1,585.8	-1.0%

Economic Releases	Time	F'cast	Prior
AUD - Employment Change	11:30		
AUD - Unemployment Rate	11:30	4.10%	4.10%
BoE - Interest Rate Decision	23:00	4.50%	4.5%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.185	0.170	8.8%
Elementos	0.057	0.060	-5.0%
Frontier Energy	0.098	0.110	-10.9%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	66.94	67.70	-1.1%
Gold	3,055	2,943	3.8%
Gold (Aus)	4,790	4,640	3.2%
Silver	33.81	33.23	1.7%
Uranium (Spot)	76.00	76.00	0.0%
Global X Uranium ETF	25.19	23.84	5.7%
Sprott Uranium Miners ETF	33.52	33.50	0.1%
Sprott Physical Uranium Trust	14.64	13.87	5.6%
Tin (Futures)	32,581	32,581	0.0%
Copper	5.12	4.84	5.8%

Other Markets	Close	Prior	% Δ
SPI200 Futures	7,936.00	7,799.00	1.8%
DXY Index	103.2	103.4	-0.2%
AUD/USD	0.6357	0.6320	0.6%
2-Year Treasury Yield (%)	3.98	3.99	-1 bp
10-Year Treasury Yield (%)	4.25	4.31	-7 bp
US 2-10-Year Spread	0.27	0.32	-5 bp
VIX Index	19.89	24.22	-17.9%