

17 June 2025

Dow closes 300pts higher on cooling oil and Israel-Iran conflict; ASX to rise

- **Global markets.** Stocks rebounded on Monday as investors were optimistic that the conflict between Israel and Iran may remain contained. The spike in oil prices due to the escalating conflict also eased.

The Dow Jones Industrial Average rose 317.30 points, or 0.75%, closing at 42,515.09. The S&P 500 advanced 0.94% to end at 6,033.11, while the Nasdaq Composite surged 1.52% and settled at 19,701.21.

Traders have been closely watching the Middle East after Israel's strike on Iran Friday. Iran launched missiles in retaliation, increasing the severity of conflict in the region.

The attacks continued for a fourth day Monday, with the two countries targeting each others' energy facilities, an escalation which could rattle the global economy and markets further in the new week. Iran said it is considering shutting down the Strait of Hormuz, a key route for the global oil market. Israel claimed on Monday to have achieved "aerial superiority" over Iran, according to a military spokesperson.

Investors also digested weaker-than-expected manufacturing survey data Monday morning, which came ahead of the Federal Reserve's interest rate decision on Wednesday.

Fed funds futures are pricing in a roughly 100% likelihood of the central bank keeping rates unchanged, per CME Group's FedWatch tool, even as Trump has been pressuring Fed Chair Jerome Powell for a rate cut. Higher oil prices from the Middle East conflict likely further reduce the odds the Fed will ease monetary policy anytime soon.

- **In economic news.** The first of three big central bank decisions will be announced today, starting with the Bank of Japan delivering its call on interest rate this morning. Traders expect no change to rates.
- **In other markets.** Oil fell as much as 3 per cent in US trading and gold eased on the reports, before Trump jolted the markets with a social media post calling for the evacuation of Iran's capital Tehran.
- **Futures.** ASX futures are pointing up 6 points or 0.1 per cent to 8566.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,775.0	8,775.0	0.0%
ASX 200	8,548.4	8,548.4	0.0%
ASX Emerging Companies	2,298.3	2,298.3	0.0%

<u>US Markets</u>			
Dow Jones	42,515.1	42,515.1	0.0%
S&P500	6,033.1	6,033.1	0.0%
Nasdaq	21,937.6	21,937.6	0.0%
Russell 2000	2,124.1	2,124.1	0.0%

<u>Asian & European Markets</u>			
Shanghai Composite	3,388.7	3,388.7	0.0%
Nikkei	38,311.1	38,311.1	0.0%
Hang Seng	24,061.0	24,061.0	0.0%
FTSE 100	8,875.2	8,875.2	0.0%
DAX 30	23,699.1	23,699.1	0.0%
CAC 40	7,742.3	7,742.3	0.0%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	4,727.6	4,727.6	0.0%
Communication Services	366.4	366.4	0.0%
Consumer Discretionary	1,728.3	1,728.3	0.0%

Economic Releases	Time	F'cast	Prior
BoJ - Interest Rate Decision		0.50%	0.50%
USA - Retail Sales MoM	22:30	-0.70%	0.10%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.175	0.155	12.9%
Elementos	0.125	0.115	8.7%
Frontier Energy	0.195	0.200	-2.5%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	72.98	72.91	0.1%
Gold	3,418	3,465	-1.3%
Gold (Aus)	5,212	5,312	-1.9%
Silver	36.36	36.33	0.1%
Uranium (Spot)	75.50	70.00	7.9%
Global X Uranium ETF	38.07	36.13	5.4%
Sprott Uranium Miners ETF	46.30	43.28	7.0%
Sprott Physical Uranium Trust	17.15	16.98	1.0%
Tin (Futures)	32,603	32,603	0.0%
Copper	4.81	4.78	0.8%

Other Markets	Close	Prior	% Δ
SPI200 Futures	8,565.0	8,532.0	0.4%
DXI Index	98.1	98.1	0.0%
AUD/USD	0.6519	0.6484	0.5%
2-Year Treasury Yield (%)	3.97	3.95	2 bp
10-Year Treasury Yield (%)	4.45	4.41	4 bp
US 2-10-Year Spread	0.48	0.46	2 bp
VIX Index	19.12	20.81	-8.1%