

19 June 2025

## Dow posts narrow loss after Fed signals no hurry to cut rates; ASX lower

- **Global markets.** The Dow Jones Industrial Average ended Wednesday modestly lower following the Federal Reserve's latest policy update, where the central bank kept interest rates steady and Chair Jerome Powell signaled it would wait to see the impact of President Donald Trump's tariffs on inflation before proceeding on rates.

The 30-stock Dow lost 44.14 points, or 0.10%, and ended at 42,171.66. The S&P 500 slipped 0.03% to close at 5,980.87, and the Nasdaq Composite inched up 0.13% to settle at 19,546.27.

The Fed left its key rate unchanged Wednesday in a range of 4.25% to 4.5%, as markets expected. Nevertheless, it turned out to be a mixed bag of news for investors, as the central bank still signaled two rate cuts this year while simultaneously hinting at a stagflationary threat. The policymakers lowered the 2025 forecast for economic growth to just 1.4% and raised the core inflation outlook to 3.1%.

While Powell said in a press conference following the decision that "we're beginning to see some effects" of tariffs on inflation, he also said that the policymakers are "well positioned to wait" before making any adjustments to rates.

"The size of the tariff effects, their duration and the time it will take are all highly uncertain," Powell said. "That is why we think the appropriate thing to do is to hold where we are as we learn more."

- **In economic news.** Australia's unemployment figures come out at 11.30am. New Zealand issues GDP data at 8.45am.

Wall Street will be closed for the Juneteenth holiday. In the UK, the Bank of England is expected to keep rates on hold at 4.25 per cent.

- **In other markets.** Iron ore continues its slide with futures in Singapore down 0.2 per cent to \$US92.60 a tonne. Oil prices swung through the US session after topping \$US74 a barrel.
- **Futures.** ASX futures are pointing down 20 points, or 0.2 per cent, to 8,513.

| World Indices          | Close   | Prior   | % Δ   |
|------------------------|---------|---------|-------|
| <u>Local Markets</u>   |         |         |       |
| All Ordinaries         | 8,757.9 | 8,771.1 | -0.2% |
| ASX 200                | 8,531.2 | 8,541.3 | -0.1% |
| ASX Emerging Companies | 2,275.9 | 2,302.3 | -1.1% |

|                   |          |          |       |
|-------------------|----------|----------|-------|
| <u>US Markets</u> |          |          |       |
| Dow Jones         | 42,171.7 | 42,215.8 | -0.1% |
| S&P500            | 5,980.9  | 5,982.7  | 0.0%  |
| Nasdaq            | 21,719.7 | 21,719.1 | 0.0%  |
| Russell 2000      | 2,113.0  | 2,102.0  | 0.5%  |

|                                     |          |          |       |
|-------------------------------------|----------|----------|-------|
| <u>Asian &amp; European Markets</u> |          |          |       |
| Shanghai Composite                  | 3,388.8  | 3,387.4  | 0.0%  |
| Nikkei                              | 38,885.1 | 38,409.8 | 1.2%  |
| Hang Seng                           | 23,710.7 | 23,980.3 | -1.1% |
| FTSE 100                            | 8,843.5  | 8,834.0  | 0.1%  |
| DAX 30                              | 23,317.8 | 23,434.7 | -0.5% |
| CAC 40                              | 7,656.1  | 7,683.7  | -0.4% |

| S&P500 Sectors         | Close   | Prior   | % Δ   |
|------------------------|---------|---------|-------|
| Information Technology | 4,710.2 | 4,693.3 | 0.4%  |
| Communication Services | 361.3   | 363.7   | -0.7% |
| Consumer Discretionary | 1,698.4 | 1,701.4 | -0.2% |

| Economic Releases       | Time  | F'cast | Prior |
|-------------------------|-------|--------|-------|
| AUD - Employment Change | 11:30 |        |       |
| AUD - Unemployment Rate | 2:24  | 4.30%  | 4.10% |

| Key BW Names    | Close | Prior | % Δ   |
|-----------------|-------|-------|-------|
| Lotus Resources | 0.205 | 0.195 | 5.1%  |
| Elementos       | 0.120 | 0.120 | 0.0%  |
| Frontier Energy | 0.193 | 0.195 | -1.3% |

| Commodities                   | Close  | Prior  | % Δ   |
|-------------------------------|--------|--------|-------|
| Oil - West Texas Crude        | 73.39  | 73.44  | -0.1% |
| Gold                          | 3,391  | 3,404  | -0.4% |
| Gold (Aus)                    | 5,185  | 5,223  | -0.7% |
| Silver                        | 36.74  | 37.10  | -1.0% |
| Uranium (Spot)                | 76.00  | 75.50  | 0.7%  |
| Global X Uranium ETF          | 37.77  | 37.56  | 0.6%  |
| Sprott Uranium Miners ETF     | 46.97  | 46.41  | 1.2%  |
| Sprott Physical Uranium Trust | 18.10  | 17.24  | 5.0%  |
| Tin (Futures)                 | 32,216 | 32,553 | -1.0% |
| Copper                        | 4.85   | 4.80   | 1.1%  |

| Other Markets              | Close   | Prior   | % Δ   |
|----------------------------|---------|---------|-------|
| SPI200 Futures             | 8,513.0 | 8,510.0 | 0.0%  |
| DXY Index                  | 98.8    | 98.1    | 0.7%  |
| AUD/USD                    | 0.6510  | 0.6481  | 0.5%  |
| 2-Year Treasury Yield (%)  | 3.94    | 3.95    | -1 bp |
| 10-Year Treasury Yield (%) | 4.39    | 4.39    | 0 bp  |
| US 2-10-Year Spread        | 0.45    | 0.44    | 1 bp  |
| VIX Index                  | 20.13   | 21.59   | -6.8% |