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Dow drops 400pts on earnings, inflation woes. Nvidia lifts NQ; ASX to fall

- **Global markets.** The Dow Jones Industrial Average fell Tuesday as worries over U.S. inflation and a mixed bag of big bank earnings dragged the blue-chip index lower. The Nasdaq Composite, meanwhile, got a boost from gains in Nvidia.

The 30-stock Dow lost 436.36 points, or 0.98%, and closed at 44,023.29. The S&P 500 lost 0.40% and closed at 6,243.76, easing from a fresh record high reached earlier in the session. The Nasdaq was an outperformer, adding 0.18% and posting a record close of 20,677.80. The tech-heavy index was aided by a 4% rise in Nvidia shares after the chip company said it hopes to "soon" resume deliveries of its H20 GPU sales to China.

June inflation data released Tuesday represented an increase from May levels, despite the headline numbers matching expectations. The consumer price index increased 0.3% on the month, putting the annual inflation rate at 2.7%, matching a consensus poll from Dow Jones. So-called core CPI, which excludes food and energy prices, grew 0.2% month over month, slightly less than expected. Year over year, it expanded by 2.9%, matching estimates.

The print spurred fears about the impact of President Donald Trump's tariffs. Trump on Saturday said the U.S. will impose a 30% tariff on goods from the European Union and Mexico starting Aug. 1.

Wells Fargo beat earnings, but a reduction in net interest income guidance sent shares lower by more than 5%. Shares of JPMorgan Chase edged lower even though the bank posted better-than-expected second-quarter results driven by strong trading and investment banking revenue. Asset manager BlackRock slipped nearly 6% on a quarterly revenue miss.

Citigroup bucked the negative trend in financials, rising more than 3% after the bank topped second-quarter estimates.

- **In economic news.** Overseas, the focus is on US PPI data to be released at 10.30pm.
- **In other markets.** The yield on the 30-year US government bond rose about 4b basis points to 5.02 per cent.
- **Futures.** ASX futures are pointing down 66 points or 0.8 per cent to 8545.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,875.3	8,815.3	0.7%
ASX 200	8,630.3	8,570.4	0.7%
ASX Emerging Companies	2,371.4	2,349.3	0.9%

<u>US Markets</u>			
Dow Jones	44,023.3	44,459.7	-1.0%
S&P500	6,243.8	6,268.6	-0.4%
Nasdaq	22,884.6	22,855.6	0.1%
Russell 2000	2,205.1	2,249.7	-2.0%

<u>Asian & European Markets</u>			
Shanghai Composite	3,505.0	3,519.7	-0.4%
Nikkei	39,677.8	39,459.4	0.6%
Hang Seng	24,590.1	24,203.3	1.6%
FTSE 100	8,938.3	8,998.1	-0.7%
DAX 30	24,060.3	24,168.1	-0.4%
CAC 40	7,766.2	7,808.2	-0.5%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	5,096.3	5,032.3	1.3%
Communication Services	372.0	374.3	-0.6%
Consumer Discretionary	1,773.0	1,792.7	-1.1%

Economic Releases	Time	F'cast	Prior
USD - Producer Price Index YoY	22:30	2.70%	3.00%
USD - Industrial Production MoM	23:15	0.10%	-0.20%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.170	0.175	-2.9%
Elementos	0.120	0.125	-4.0%
Frontier Energy	0.200	0.205	-2.4%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	66.80	66.91	-0.2%
Gold	3,332	3,354	-0.7%
Gold (Aus)	5,106	5,114	-0.2%
Silver	37.75	38.22	-1.2%
Uranium (Spot)	73.00	73.00	0.0%
Global X Uranium ETF	39.18	38.97	0.5%
Sprott Uranium Miners ETF	47.54	46.95	1.3%
Sprott Physical Uranium Trust	16.65	16.65	0.0%
Tin (Futures)	33,525	33,666	-0.4%
Copper	5.52	5.52	0.0%

Other Markets	Close	Prior	% Δ
SPI200 Futures	8,545.0	8,599.0	-0.6%
DXY Index	98.1	97.9	0.2%
AUD/USD	0.6513	0.6544	-0.5%
2-Year Treasury Yield (%)	3.95	3.90	5 bp
10-Year Treasury Yield (%)	4.49	4.44	5 bp
US 2-10-Year Spread	0.54	0.53	0 bp
VIX Index	17.39	17.21	1.0%