

2 July 2025

Dow jumps 400pts to start new quarter with rotation out of tech; ASX to rise

- **Global markets.** The Dow Jones Industrial Average climbed on Tuesday as investors rotated out of technology stocks to kick off the second half of 2025.

Investors were also weighing the latest developments with President Donald Trump's giant tax and spending bill as well as comments from Federal Reserve Chair Jerome Powell.

Traders dropped tech giants, such as Nvidia and Microsoft, and opted to snap up shares of health-care companies instead. Amgen and UnitedHealth jumped more than 4%, while Merck and Johnson & Johnson rose more than 3% and about 2%, respectively, lifting the 30-stock Dow. It's a turnaround from the market's tech-driven recovery in the second quarter: The Technology Select Sector SPDR Fund (XLK) jumped nearly 23% in that period but was off 0.9% to start the third quarter.

Musk has criticized Trump's megabill, calling it "utterly insane and destructive" over the weekend. This isn't the first time Trump and Musk have sparred over the administration's spending plans, as a feud broke out between the two earlier this year.

Earlier in the day, Powell confirmed at a European Central Bank panel in Portugal that the Fed likely would have cut rates again by now were it not for tariffs. He added that any future move would depend on the data and didn't answer directly regarding whether or not July would be too soon.

- **In economic news.** The focus on Wednesday will be on May retail sales and building approvals data set for release at 11.30am. In the US, there will be June's ADP private payrolls report, one day in advance of the government's nonfarm payroll data. The European Central Bank will conclude its annual Sintra gathering on Wednesday.
- **In other markets.** Copper rose to a three-month high. The three-month contract on the London Metal Exchange climbed as much as 1.3 per cent to \$US10,000 a tonne, aligned with gains seen in the final hour of trading in Shanghai.
- **Futures.** ASX futures are pointing up 18 points or 0.2 per cent to 8558.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	8,772.0	8,743.6	0.3%
ASX 200	8,541.1	8,514.2	0.3%
ASX Emerging Companies	2,295.7	2,281.4	0.6%

<u>US Markets</u>			
Dow Jones	44,495.0	43,819.3	1.5%
S&P500	6,198.0	6,173.1	0.4%
Nasdaq	22,478.1	22,534.2	-0.2%
Russell 2000	2,197.5	2,172.5	1.2%

<u>Asian & European Markets</u>			
Shanghai Composite	3,457.8	3,424.2	1.0%
Nikkei	39,986.1	40,150.6	-0.4%
Hang Seng	24,072.3	24,284.2	-0.9%
FTSE 100	8,785.3	8,798.9	-0.2%
DAX 30	23,671.3	24,040.5	-1.5%
CAC 40	7,662.6	7,691.6	-0.4%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	4,908.8	4,916.6	-0.2%
Communication Services	373.5	376.7	-0.8%
Consumer Discretionary	1,756.9	1,769.1	-0.7%

Economic Releases	Time	F'cast	Prior
AUD - Building Permits	11:30	4.80%	-5.70%
AUD - Retail Sales	11:30	0.40%	-0.40%
USD - ADP Employment Change	22:15		

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.195	0.200	-2.5%
Elementos	0.099	0.105	-5.7%
Frontier Energy	0.185	0.175	5.7%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	65.40	64.80	0.9%
Gold	3,348	3,281	2.0%
Gold (Aus)	5,070	5,002	1.4%
Silver	36.06	35.87	0.5%
Uranium (Spot)	79.00	79.00	0.0%
Global X Uranium ETF	37.42	38.07	-1.7%
Sprott Uranium Miners ETF	46.76	47.11	-0.7%
Sprott Physical Uranium Trust	18.49	18.90	-2.2%
Tin (Futures)	33,843	33,882	-0.1%
Copper	5.11	5.12	-0.3%

Other Markets	Close	Prior	% Δ
SPI200 Futures	8,558.0	8,521.0	0.4%
DXY Index	96.8	97.3	-0.5%
AUD/USD	0.6581	0.6538	0.7%
2-Year Treasury Yield (%)	3.77	3.75	3 bp
10-Year Treasury Yield (%)	4.24	4.28	-3 bp
US 2-10-Year Spread	0.47	0.53	-6 bp
VIX Index	16.84	16.33	3.1%