

18 September 2025

Dow closes up 250pts after Fed delivers widely expected rate cut; ASX to fall

- **Global markets.** The Dow Jones Industrial Average closed higher and the S&P 500 was little changed after a volatile day of trading as the Federal Reserve lowered its benchmark rate as expected on Wednesday. Fed Chairman Jerome Powell tempered enthusiasm a bit by signaling the move was not the start of a long rate-lowering cycle.

The broad-market index settled down 0.1% at 6,600.35, while the Nasdaq Composite dropped 0.3% to 22,261.33. The Dow finished up 260.42 points, or 0.6%, at 46,018.32, after earlier hitting an all-time high.

Shares of high-flying tech stocks led the losses following the Fed decision as investors took profits on the bull market winners. Nvidia, Oracle, Palantir and Broadcom each closed lower. On the positive side, stocks that would benefit from lower rates were in the green, boosting the Dow and the broader market. Shares of Walmart, JPMorgan and American Express were higher during the session.

One of the biggest winners of the day was the small cap-focused Russell 2000, which jumped 0.18%. Smaller companies rely more on variable financing and so stand to benefit from lower rates.

The Federal Open Market Committee lowered its benchmark overnight lending rate by a quarter percentage point in an 11 to 1 vote, putting the overnight funds rate in a range between 4%-4.25%. The central bank also signaled two interest rate cuts will be implemented during the remainder of the year.

Major U.S. indexes rallied ahead of Wednesday's decision. The S&P 500 is up 2.2% month to date, while the Nasdaq has jumped 3.8% on a surge in artificial intelligence-related stocks. The Dow is up 1% this month.

- **In economic news.** In Australia, investors will be awaiting the August labour force report to be released at 11.30am.
- **In other markets.** The yield on the US 10-year was poised to end 4 basis points higher to 4.07 per cent; it briefly fell below 4 per cent.
- **Futures.** Futures indicate the S&P/ASX 200 Index is set to fall 15 points or 0.2 per cent to 8839.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	9,094.9	9,151.2	-0.6%
ASX 200	8,818.5	8,877.7	-0.7%
ASX Emerging Companies	2,738.5	2,725.2	0.5%

US Markets

Dow Jones	46,018.3	45,757.9	0.6%
S&P500	6,600.4	6,606.8	-0.1%
Nasdaq	24,223.7	24,274.3	-0.2%
Russell 2000	2,407.4	2,403.0	0.2%

Asian & European Markets

Shanghai Composite	3,876.3	3,861.9	0.4%
Nikkei	44,790.3	44,902.2	-0.2%
Hang Seng	26,908.4	26,438.5	1.8%
FTSE 100	9,208.4	9,195.7	0.1%
DAX 30	23,359.2	23,329.3	0.1%
CAC 40	7,787.0	7,818.2	-0.4%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	5,382.2	5,420.0	-0.7%
Communication Services	435.1	435.3	-0.1%
Consumer Discretionary	1,944.9	1,950.9	-0.3%

Economic Releases	Time	F'cast	Prior
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AUD - Employment Change	11:30		
AUD - Unemployment Change	11:30		
USD - Initial Jobless Claims	10:30		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.185	0.190	-2.6%
Elementos	0.155	0.160	-3.1%
Frontier Energy	0.285	0.250	14.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	63.69	64.60	-1.4%
Gold	3,697	3,730	-0.9%
Gold (Aus)	5,506	5,524	-0.3%
Silver	41.71	42.62	-2.1%
Uranium (Spot)	76.50	76.50	0.0%
Global X Uranium ETF	44.55	44.36	0.4%
Sprott Uranium Miners ETF	55.97	55.05	1.7%
Sprott Physical Uranium Trust	18.57	18.52	0.3%
Tin (Futures)	34,806	34,579	0.7%
Copper	4.62	4.70	-1.8%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	8,839.0	8,881.0	-0.5%
DX Index	96.7	97.3	-0.7%
AUD/USD	0.6656	0.6684	-0.4%
2-Year Treasury Yield (%)	3.55	3.51	4 bp
10-Year Treasury Yield (%)	4.09	4.03	5 bp
US 2-10-Year Spread	0.53	0.52	1 bp
VIX Index	15.71	16.37	-4.0%