BW

EQUITIES RESEARCH

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Dow drops almost 900pts after Trump's new China tariff threat; ASX to slip

- **Global markets.** Stocks settled decidedly lower after a rapid decline on Friday following President Donald Trump's threat of higher tariffs on China, in which he accused the country of "becoming very hostile" with its restrictions on rare earth metals, a key resource for the tech and defense industries.

  Stocks accelerated selling into the close, with the Dow Jones Industrial Average closing down 878.82 points, or 1.9%, at 45,479.60. The S&P 500 lost 2.71% to settle at 6,552.51, while the Nasdaq Composite fell 3.56% to 22,204.43. The broad-based index's decline was the largest since April 10. Prior to Trump's comments, stocks were sizably higher, with the Nasdaq hitting a new all-time intraday high.

  Wall Street's fear gauge – the CBOE Volatility index – spiked above 22, ending about 4 months of a placid upward grind for the S&P 500 to record highs. The move signaled that traders were rushing to buy protection in the options market against an even bigger decline for the benchmark.

  Shares of tech stocks with the most to lose from souring trade relations with China led the rapid sell-off Friday. Nvidia lost about 5%, while AMD dropped almost 8% and Tesla shed around 5%. Meanwhile, U.S. crude oil fell as investors grew increasingly concerned that higher tariffs might ultimately weigh on demand.

  With the ongoing shutdown, layoffs of federal workers "have begun," Trump administration budget chief Russell Vought said in a social media post Friday.

  Friday's declines wiped out the S&P 500′s gain for the week, as the benchmark lost 2.4% for the period. The Nasdaq and the Dow also saw weekly losses of 2.5% and 2.7%, respectively.

- **In economic news**. China – Import/Export, Trade Balance

- **In other markets.** The Australian dollar lost 2 per cent last week, the biggest such fall since March as the greenback regained some ground.

- **Futures.** ASX 200 futures are pointing down 84 points or 0.9 per cent to 8896.
  All US prices at 5.25pm New York time.

World Indices	Close	Prior	% Δ
Local Markets			
All Ordinaries	9,264.3	9,280.0	-0.2%
ASX 200	8,958.3	8,981.4	-0.3%
ASX Emerging Companies	3,101.5	3,056.9	1.5%
US Markets			
Dow Jones	45,479.6	46,695.0	-2.6%
S&P500	6,552.5	6,740.3	-2.8%
Nasdaq	24,221.8	24,978.6	-3.0%
Russell 2000	2,394.6	2,486.4	-3.7%
Asian & European Markets			
Shanghai Composite	3,897.0	3,882.8	0.4%
Nikkei	48,088.8	47,944.7	0.3%
Hang Seng	26,290.3	26,957.8	-2.5%
FTSE 100	9,427.5	9,479.2	-0.5%
DAX 30	24,241.5	24,378.3	-0.6%
CAC 40	7,918.0	7,971.0	-0.7%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	5,517.9	5,661.3	-2.5%
Communication Services	408.4	421.2	-3.1%
Consumer Discretionary	1,839.1	1,922.3	-4.3%

Economic Releases	Time	F'cast	Prior
CNY - Imports/Exports YoY	2:00	6.00%	4.40%
CNY - Trade Balance	2:00		

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.225	0.220	2.3%
Elementos	0.235	0.220	6.8%
Frontier Energy	0.285	0.305	-6.6%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	59.67	61.73	-3.3%
Gold	4,036	3,986	1.3%
Gold (Aus)	6,205	5,989	3.6%
Silver	50.28	48.49	3.7%
Uranium (Spot)	79.00	81.00	-2.5%
Global X Uranium ETF	51.87	51.21	1.3%
Sprott Uranium Miners ETF	61.65	60.82	1.4%
Sprott Physical Uranium Trust	18.24	19.40	-6.0%
Tin (Futures)	36,113	37,560	-3.9%
Copper	5.03	5.05	-0.4%

Other Markets	Close	Prior	% Δ
SPI200 Futures	8,896.0	9,017.0	-1.3%
DXY Index	98.9	97.7	1.2%
AUD/USD	0.6507	0.6617	-1.7%
2-Year Treasury Yield (%)	3.53	3.59	-6 bp
10-Year Treasury Yield (%)	4.06	4.16	-10 bp
US 2-10-Year Spread	0.53	0.57	-4 bp
VIX Index	21.65	16.36	32.3%