BW

EQUITIES RESEARCH

5 November 2025

Stocks close lower hit by AI valuation concerns, Nasdaq -2%; ASX to rise

- **Global markets.** Stocks fell on Tuesday, pressured by declines in artificial intelligence-related names like Palantir, as investors grew increasingly concerned about valuations in the bull market-leading shares.

  The S&P 500 declined 1.17% to close at 6,771.55, while the Nasdaq Composite traded down 2.04% to finish at 23,348.64. The Dow Jones Industrial Average lost 251.44 points, or 0.53%, to 47,085.24.

  Palantir shares shed about 8%, even after the software company beat Wall Street's estimates for the third quarter and gave strong guidance, fueled by growth in its AI business. The stock, which has risen more than 150% this year, trades at more than 200 times forward earnings. That means investors in that name and the other AI stocks expect the companies to keep ratcheting up their profit and revenue forecasts by large magnitudes in order to justify investors continuing to buy the shares.

  AI stock gains have driven the S&P 500′s forward price-earnings ratio to above 23, near its highest level since 2000, per FactSet. As those stocks have lifted the broader market to new heights in recent months, Anthony Saglimbene of Ameriprise said in an interview with CNBC that without a pullback, valuations are beginning to get "really stretched."

  Wall Street is coming off a mixed session, as the S&P 500 and Nasdaq both ended Monday higher, while the Dow fell more than 200 points. More than 300 stocks in the broad-market index closed in the red in the previous session, adding to concerns about weak breadth and high levels of tech concentration — particularly after the number of S&P 500 stocks that gained last month was smaller than the amount that declined.

- **In economic news**. Overseas, the Bank of Japan will release minutes from its latest policy meeting, China will release October services sector data.

- **In other markets.** Crude oil prices slumped overnight as a stronger US dollar and risk-off sentiment drove investors out of energy markets, adding pressure to an already oversupplied environment. Brent crude fell 1.2 per cent to $US60.32 per barrel.

- **Futures.** ASX 200 futures are pointing up 18 points or 0.2 per cent to 8830.

World Indices	Close	Prior	% Δ
Local Markets			
All Ordinaries	9,098.8	9,178.0	-0.9%
ASX 200	8,813.7	8,881.9	-0.8%
ASX Emerging Companies	2,862.0	2,916.9	-1.9%
US Markets			
Dow Jones	47,085.3	47,562.9	-1.0%
S&P500	6,771.5	6,840.2	-1.0%
Nasdaq	25,435.7	25,858.1	-1.6%
Russell 2000	2,427.3	2,479.4	-2.1%
Asian & European Markets			
Shanghai Composite	3,960.2	3,954.8	0.1%
Nikkei	51,497.2	52,411.3	-1.7%
Hang Seng	25,952.4	25,906.7	0.2%
FTSE 100	9,715.0	9,717.2	0.0%
DAX 30	23,949.1	23,958.3	0.0%
CAC 40	8,067.5	8,121.1	-0.7%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	5,847.7	5,960.1	-1.9%
Communication Services	422.0	430.0	-1.8%
Consumer Discretionary	1,959.6	1,963.1	-0.2%

Economic Releases	Time	F'cast	Prior
CNY - RatingDog Services PMI	11:45		
USD - ADP Emplyment Change	11:15		
USD - ISDM Services PMI	1:00		

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.190	0.195	-2.6%
Elementos	0.360	0.300	20.0%
Frontier Energy	0.315	0.340	-7.4%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	60.40	60.87	-0.8%
Gold	3,940	3,997	-1.4%
Gold (Aus)	6,061	6,116	-0.9%
Silver	47.10	48.70	-3.3%
Uranium (Spot)	82.13	82.13	0.0%
Global X Uranium ETF	49.73	55.12	-9.8%
Sprott Uranium Miners ETF	58.34	64.37	-9.4%
Sprott Physical Uranium Trust	18.24	19.82	-8.0%
Tin (Futures)	36,199	36,199	0.0%
Copper	4.93	5.09	-3.2%

Other Markets	Close	Prior	% Δ
SPI200 Futures	8,830.0	8,887.0	-0.6%
DXY Index	99.9	99.7	0.2%
AUD/USD	0.6487	0.6544	-0.9%
2-Year Treasury Yield (%)	3.58	3.58	0 bp
10-Year Treasury Yield (%)	4.09	4.08	0 bp
US 2-10-Year Spread	0.51	0.50	1 bp
VIX Index	18.99	17.43	9.0%