

# **InvestorCoffee (08.06.2024) : US Monday market rollercoaster has some holding on for dear life, while Australians move in for the ride**

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Good morning and welcome to another edition of CoffeeTalk, where we dissect the latest market movements and trends over our morning brew. Let's dive into the remarkable events of Monday, which left investors both shaken and stirred.

The benchmark S&P/ASX200 index closed Monday up 68.3 points, or 0.86%, to 7,989.6, while the broader All Ordinaries gained 70.9 points, or 0.87%, to 8,224.3. Meanwhile, the scene was dramatically different across the Pacific.

The S&P 500 Index closed 106 points, or 3%, lower after a morning plunge that had traders on edge. The tech-heavy Nasdaq Composite fell 3.43%, and the Dow Jones plummeted more than 1,000 points, shedding 2.6%. Concerns over a potential recession in the world's largest economy reverberated globally, triggering what some are calling a 'market washout'.

Investor sentiment remains on edge. After Monday's historic selloff, stocks swung wildly. Treasury yields climbed, signaling a waning demand for safe-haven assets. US equity futures, though initially showing signs of a rebound, reflected the volatile mood, while European stocks oscillated between gains and losses. The dollar, in contrast, strengthened. Meanwhile, gold prices surged as investors sought refuge from market instability,

highlighting gold's enduring status as a safe-haven asset during times of uncertainty.

The 10-year Treasury yield rose for the first time in nearly two weeks, with a \$58 billion auction looming as the next gauge of investor appetite. Market expectations for significant Federal Reserve rate cuts this year are being scaled back, dismissing the likelihood of an emergency reduction this month. U.S. central bank policymakers pushed back against the notion that weaker-than-expected July jobs data signals an imminent recession but acknowledged the need for rate cuts to prevent one.

Highlighting the broad market anxiety, investors are rushing to hedge against an extreme crash, with the VIX index—Wall Street's "fear gauge" (or so they tell me) —hovering above 30, a rare occurrence in the past two years.

Japan, a volatility epicenter, saw the Topix index surge 9.3% after a 12% plunge on Monday. JPMorgan Chase & Co. indicates the unwinding of the yen carry trade is only halfway through. Market turbulence is expected to continue in the coming days, driven by margin calls and central bank actions.

Despite the chaos, there's a glimmer of stability. Historically, buying the S&P 500 after a significant decline has proven to be a profitable strategy.

Individual stocks are also making headlines. Palantir Technologies Inc. (NYSE: PLTR) jumped up to 13% in premarket trading after [raising](#) its annual outlook, citing strong demand for its AI software. Uber Technologies Inc. (NYSE: UBER) and Caterpillar Inc. (NYSE: CAT) also saw gains following positive earnings reports.

In the uranium market sector, companies like [Energy Fuels](#)

[Inc.](#) (NYSE American: UUUU | TSX: EFR) continue to show potential for growth. Recent developments in uranium mining and the successful [commissioning](#) of commercial rare earth separation underscore the sector's resilience. As Jack Lifton, Chairman of the [Critical Minerals Institute](#) (CMI), aptly noted, "The green revolution and net zero targets appear increasingly distant... The market correction reveals a preference for hybrid powertrains."

Looking ahead, the upcoming [Critical Minerals Institute Summit III](#) (CMI) on August 21-22 will delve into these issues and more. We are genuinely excited to hear from industry leaders and government officials on how to navigate these turbulent times and build a resilient supply chain for critical minerals. Today, I will be at my desk, reaching out to new government officials in charge of capital deployment to discuss how they plan to support these efforts and sharing this information with our audience.

As we navigate these turbulent times, it's crucial to stay informed and agile. And more than ever, lean on an investment professional\* – not business writers! Until next time, stay sharp and caffeinated.

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**Publisher's Note:** Tracy Hughes uses a variety of sources for her daily market update series called "InvestorCoffee." This series is intended to be a brief summary of daily market highlights that the InvestorNews team finds interesting. This summary is meant to inspire research, investigation, and due diligence, and we encourage you to always seek licensed professional advice with any investment decision. While Tracy is a professional writer, she is not a licensed investment advisor. And yes, Tracy uses ChatGPT and other technology devices to help distill information and prioritize business data – while sipping her

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