

USA Market Outlook - 2 March 2023

Following the lackluster performance seen in the previous session, stocks continued to experience choppy trading on Wednesday. The major averages spent the day bouncing back and forth across the unchanged line.

Eventually, the Dow ended the day up 5.14 points or less than a tenth of a percent at 32,661.84, while the Nasdaq slid 76.06 points or 0.7 percent to 11,379.48 and the S&P 500 fell 18.76 points or 0.5 percent at 3,951.39.

The choppy trading on Wall Street came following the release of a report from the Institute for Supply Management on U.S. manufacturing activity in the month of February.

While the ISM said its manufacturing PMI inched up to 47.7 in February from 47.4 in January, a reading below 50 still indicates a contraction. Economists had expected the index to edge up to 48.0.

The report also showed the prices index jumped to 51.3 in February from 44.5 in January, indicating raw materials prices increased after decreasing for four consecutive months.

The notable rebound by the prices index may have added to recent concerns about inflation and the outlook for interest rates. Treasury yields jumped following the release of the report, with the ten-year yield reaching its highest levels in over three months.

Construction spending in the U.S. unexpectedly edged slightly lower in the month of January, according to a report released by the Commerce Department on Wednesday.

The report said construction spending slipped by 0.1 percent to an annual rate of \$1.826 trillion in January after falling by 0.7 percent to a revised rate of \$1.828 trillion in December.

Economists had expected construction spending to inch up by 0.2 percent compared to the 0.4 percent decrease originally reported for the previous month.

The unexpected dip in construction spending came as spending on public construction slid by 0.6 percent to an annual rate of \$383.1 billion.

Meanwhile, the Commerce Department said spending on private construction was virtually unchanged at an annual rate of \$1.443 trillion. Spending on non-residential construction climbed by 0.9 percent to an annual rate of \$595.2 billion, but the increase was largely offset by a 0.6 percent drop in spending on residential construction to a rate of \$847.4 billion.

Spending on educational construction fell by 0.6 percent to an annual rate of \$84.1 billion, while spending on highway construction slumped by 0.9 percent to an annual rate of \$117.3 billion.

Top Gainers		
Name	Last Price (\$)	%Change
First Solar Inc.	\$195.68	15.69%
Valero Energy Corp.	\$139.29	5.74%
Freeport-McMoRan Inc.	\$43.00	4.95%
Phillips 66	\$107.24	4.56%
Marathon Petroleum Corp.	\$129.19	4.52%

Top Losers		
Name	Last Price (\$)	%Change
Lowe's Cos.	\$194.31	-5.56%
Lumen Technologies Inc.	\$3.23	-5.00%
Alexandria Real Estate Equities Inc.	\$142.91	-4.59%
Advance Auto Parts Inc.	\$138.82	-4.24%
Warner Bros. Discovery Inc. Series A	\$15.02	-3.84%

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