

13 October 2021

US markets lower, inflation not 'transitory' - Bostic, uranium ETFs >10%

- Global markets.** It was another volatile session for equities overnight – with US markets trading between gains and losses for most of the session, before all three major indices ultimately closed near the lows of the day after a final hour sell-off. For the session, the S&P 500 lost 0.2%, the Dow 0.3% and Nasdaq 0.1%, while the Russell 2000 bucked the trend and added 0.6%. In Europe it was a similarly modest day of losses, with indices there down 0.2%-0.3%.
- Bostic says inflation not 'transitory'.** In economic news, Atlanta Fed President Bostic broke from fellow Fed members overnight, stating that he does not see inflation as transitory – “it is becoming increasingly clear that the feature of this episode that has animated price pressures, mainly the intense and widespread supply chain disruptions, will not be brief”. With Bostic typically viewed as a ~centrist amongst Fed members, the view will become problematic if it is more-widely adopted.
- In other markets,** the price of **spot uranium** shot higher overnight – up by nearly 9% - which in-turn supported the wider **uranium** complex – key ETFs were up by ~12%-14%. Elsewhere, the **USD** was higher against a basket of currencies, the **VIX Index** was slightly lower, **oil, gold** and **silver** were up and **tin** was down. Finally, the yield curve moved sharply lower (as measured by the 2-to-10 year spread), with US 2-year **Treasury** yields up 3bps on account of rising inflation pressures globally, while the 10-year fell by 4bps (ie. a reduction in the curve of ~7bps).
- Futures point higher.** Despite a lacklustre lead from Wall Street overnight, it still appears local stocks will open modestly higher when trading commences this morning – with ASX futures currently up by 14 points, or ~0.2% at the time of writing.
- In economic news,** tonight will see the release of US inflation data – which will be closely watched given the rumblings in markets re: inflation being transitory or not. While elsewhere, the UK will release a host of data and German inflation figures are also due.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,575.6	7,601.1	-0.3%
ASX 200	7,280.7	7,299.8	-0.3%
ASX Emerging Companies	2,516.4	2,550.7	-1.3%

US Markets

Dow Jones	34,378.3	34,496.1	-0.3%
S&P500	4,350.7	4,361.2	-0.2%
Nasdaq	14,465.9	14,486.2	-0.1%
Russell 2000	2,234.3	2,220.6	0.6%

Asian & European Markets

Shanghai Composite	3,546.9	3,591.7	-1.2%
Nikkei	28,230.6	28,498.2	-0.9%
Hang Seng	24,962.6	25,325.1	-1.4%
FTSE 100	7,130.2	7,146.9	-0.2%
DAX 30	15,146.9	15,199.1	-0.3%
CAC 40	6,548.1	6,570.5	-0.3%

Economic Releases	Time	F'cast	Prior
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German Inflation	17:00	0.0%	0.0%
UK GDP	17:00	6.7%	7.5%
UK Economic Data	17:00		
US Inflation	23:30	5.3%	5.3%
US Core Inflation	23:30	4.0%	4.0%
FOMC Minutes	05:00 (+1)		

Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.245	0.240	2.1%
Lotus Resources	0.255	0.250	2.0%
LiveHire	0.350	0.345	1.4%
Little Green Pharma	0.685	0.680	0.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	80.56	80.48	0.1%
Gold	1,760.3	1,754.1	0.4%
Gold (Aus)	2,395.3	2,388.2	0.3%
Silver	22.57	22.58	0.0%
Uranium (Spot)	40.50	37.25	8.7%
Tin (Futures)	36,026	36,313	-0.8%

Currency	Close	Prior	% Δ
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DXY Index	94.52	94.38	0.1%
AUD/USD	0.7349	0.7345	0.1%
AUD/GBP	0.5409	0.5404	0.1%
AUD/EUR	0.6373	0.6358	0.2%
AUD/YEN	83.47	83.25	0.3%
AUD/NZD	1.0603	1.0591	0.1%
AUD/CAD	0.9159	0.9170	-0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	19.85	20.00	-0.7%
2-Year Treasury Yield (%)	0.342	0.314	8.9%
10-Year Treasury Yield (%)	1.575	1.613	-2.4%