

14 October 2021

Markets up overnight, CPI runs hot, uranium +15%, jobs data on deck

- Global markets.** It was a volatile, but mostly stronger night for international equities – with major markets in both the US and Europe finishing flat-to-higher across the board. The day's biggest gains went to the Nasdaq, which added 0.7%, as long-dated yields fell slightly.
- Inflation runs hot.** The major economic news out overnight was US CPI for September – with headline inflation coming in ahead of forecasts – at 5.4% YoY (vs 5.3%) and 0.4% MoM (vs 0.3%), while core CPI was in-line with expectations at 0.2% MoM and 4.0% YoY.
- Yield curve keeps flattening.** The aforementioned CPI print saw the US yield curve (as measured by the 2-to-10 year spread) flatten quite substantially for a second consecutive day – seemingly on the market's view that a Fed policy mistake may be underway. For the session, the 2-year rose 2bps and 10yr fell 4bps, flattening the curve by ~6bps (following yesterday's 7bps).
- In other markets,** it was another extremely strong night for **uranium**, with the price of **spot uranium** trading higher by ~15% and key sector ETFs up ~7-8%. Elsewhere, **gold** and **silver** both moved sharply higher on the inflation print, **tin** was up 1% and **oil** was flat. Finally, the **VIX Index** fell 6% on account of the day's equity market strength.
- Futures sharply higher.** Following the strong lead from Wall Street, it appears local stocks will open much higher when trading commences this morning – with ASX futures currently up by 50 points, or ~0.7% at the time of writing.
- Jobs data on deck.** In economic news, today will see the release of local jobs data – where 138k jobs are expected to have been lost in September, while the unemployment rate is forecast to tick up to 4.8% (from 4.5%). Elsewhere, US weekly jobless claims are also due and RBA Deputy Governor Guy Debelle will speak this morning.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,571.9	7,575.6	0.0%
ASX 200	7,272.5	7,280.7	-0.1%
ASX Emerging Companies	2,556.5	2,516.4	1.6%

US Markets

Dow Jones	34,377.8	34,378.3	0.0%
S&P500	4,363.8	4,350.7	0.3%
Nasdaq	14,571.6	14,465.9	0.7%
Russell 2000	2,242.0	2,234.3	0.3%

Asian & European Markets

Shanghai Composite	3,561.8	3,546.9	0.4%
Nikkei	28,140.3	28,230.6	-0.3%
Hang Seng	24,962.6	24,962.6	0.0%
FTSE 100	7,141.8	7,130.2	0.2%
DAX 30	15,249.4	15,146.9	0.7%
CAC 40	6,597.4	6,548.1	0.8%

Economic Releases	Time	F'cast	Prior
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RBA's Debelle Speaks	9:00		
Employment Change	11:30	-138k	-146k
Unemployment rate	11:30	4.8%	4.5%
China Inflation	12:30	0.9%	0.8%
US Initial Jobless Claims	23:30		
US Continuing Jobless Claims	23:30		

Key BW Names	Close	Prior	% Δ
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Paladin Energy	0.870	0.735	18.4%
Lotus Resources	0.285	0.255	11.8%
BetMakers Tech. Group	1.110	1.080	2.8%
Dubber Corporation	3.200	3.120	2.6%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	80.59	80.56	0.0%
Gold	1,792.8	1,760.3	1.8%
Gold (Aus)	2,429.9	2,395.3	1.4%
Silver	23.08	22.57	2.3%
Uranium (Spot)	46.50	40.50	14.8%
Tin (Futures)	36,345	36,026	0.9%

Currency	Close	Prior	% Δ
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DXY Index	94.04	94.52	-0.5%
AUD/USD	0.7378	0.7349	0.4%
AUD/GBP	0.5402	0.5409	-0.1%
AUD/EUR	0.6364	0.6373	-0.1%
AUD/YEN	83.56	83.47	0.1%
AUD/NZD	1.0594	1.0603	-0.1%
AUD/CAD	0.9182	0.9159	0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	18.64	19.85	-6.1%
2-Year Treasury Yield (%)	0.366	0.342	7.0%
10-Year Treasury Yield (%)	1.539	1.575	-2.3%