

20 October 2021

## S&P higher for a 5<sup>th</sup> session, despite 10-years breaking back above 1.6%

- Global markets.** It was yet another strong session for international equities overnight, with all major markets across the US and Europe finishing higher – led by the S&P 500 and Nasdaq (both of which added 0.7% for the day), with the latter notching up its fifth consecutive day of gains to now be within 1% of the all-time highs registered in September.
- Another strong night of earnings.** The major driver of market strength overnight was another strong session for earnings results, with **Johnson & Johnson** beating estimates and closing higher by 2%, **Travelers** the same and up +2% and **Procter & Gamble** beating but off 1% for the day. In total, 82 of the S&P 500's components have reported.
- Netflix reports after hours.** In addition the intraday releases, there were also two major results out after-hours, being **Netflix** and **United Airlines** – with the former initially trading higher buy as much as 2% before falling back to a 1% decline, while the latter is higher by 2% in after-hours trade.
- Yields keep rising.** Given the overnight strength in equities (particularly longer-duration tech stocks), it is somewhat surprising to note the 10-year **Treasury** yield was sharply higher over the session – up 4bps and closing at 1.64%. This marks the highest close since May and is now within 10bps of the 2021 highs.
- In other markets,** the **USD** fell against a basket of currencies, despite the move higher in yields. This in-turn supported **commodity** prices – with **oil** higher by another 1% (closing just below US\$83/bbl), **gold** up slightly, **silver** up 2% and **spot uranium** adding another 1% for the day. Elsewhere, the **VIX Index** declined by another 4% to be at its lowest level since August.
- Futures point higher.** Following the strong lead from Wall Street, it appears local stocks will open comfortably higher when trading commences this morning – with futures up 41 points, or ~0.6%.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,690.2	7,689.7	0.0%
ASX 200	7,374.9	7,381.1	-0.1%
ASX Emerging Companies	2,656.9	2,644.7	0.5%

### US Markets

Dow Jones	35,457.3	35,258.6	0.6%
S&P500	4,519.6	4,486.5	0.7%
Nasdaq	15,129.1	15,021.8	0.7%
Russell 2000	2,275.9	2,267.8	0.4%

### Asian & European Markets

Shanghai Composite	3,593.2	3,568.1	0.7%
Nikkei	29,215.5	29,025.5	0.7%
Hang Seng	25,787.2	25,409.8	1.5%
FTSE 100	7,217.5	7,203.8	0.2%
DAX 30	15,515.8	15,474.5	0.3%
CAC 40	6,669.9	6,673.1	0.0%

Economic Releases	Time	F'cast	Prior
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Westpac Leading Index	11:00		-0.3%
China House Prices	12:30		4.2%
China FDI	17:00		22.3%
Eurozone Core Inflation	20:00	1.9%	1.6%
Canada Inflation	23:30	4.3%	4.1%

Key BW Names	Close	Prior	% Δ
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Paladin Energy	0.945	0.870	8.6%
Lotus Resources	0.330	0.320	3.1%
Dubber Corporation	3.310	3.220	2.8%
LiveHire	0.390	0.380	2.6%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	82.96	82.44	0.6%
Gold	1,769.3	1,764.6	0.3%
Gold (Aus)	2,367.6	2,380.7	-0.5%
Silver	23.67	23.20	2.0%
Uranium (Spot)	47.50	47.00	1.1%
Tin (Futures)	37,805	37,943	-0.4%

Currency	Close	Prior	% Δ
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DXY Index	93.78	93.96	-0.2%
AUD/USD	0.7473	0.7412	0.8%
AUD/GBP	0.5416	0.5399	0.3%
AUD/EUR	0.6424	0.6383	0.6%
AUD/YEN	85.47	84.73	0.9%
AUD/NZD	1.0447	1.0465	-0.2%
AUD/CAD	0.9241	0.9173	0.7%

Other Markets	Close	Prior	% Δ
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VIX Index	15.70	16.31	-3.7%
2-Year Treasury Yield (%)	0.395	0.431	-8.4%
10-Year Treasury Yield (%)	1.638	1.596	2.6%

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