

4 October 2021

Futures higher by ~0.7% following a Friday night rally on Wall Street

- Futures point higher.** Following a strong lead from Wall Street, it appears local stocks will open sharply higher when trading commences this morning – with ASX futures currently up by 52 points, or ~0.7% at the time of writing. There will be no major economic news out today.
- This week in economics.** Over the week, key data points to look out for will include: the RBA's October rate decision and local retail sales (tomorrow), global PMIs (also tomorrow), an RBNZ rate decision (Wed), and US Non-Farm payrolls data on Friday evening – where economists are looking for a reduction in the country's unemployment rate (to 5.1% from 5.2%) and the addition of 460k jobs for the month.
- Global stocks.** It was a much better night for global equities on Friday, with the Dow Jones adding nearly 500 points for the session, the S&P 500 up 1.1% and the Nasdaq moving higher by 0.8% (and snapping a 5-day losing streak). Encouragingly, all US markets closed near their highs of the day. Elsewhere, stocks in Europe were slightly lower, while the Russell 2000 gained 1.7% to comfortably outperform other major markets.
- Merck news supports sentiment.** While the Friday night gains were driven by several themes (recent sell-off arguably overdone, DC gridlock being worked through etc.), the key piece of information supporting sentiment was the announcement by US drug-maker **Merck** (and Ridgeback Biotherapeutics) that its oral antiviral treatment for Covid had showed promising early signs – with deaths down by ~50% amongst its initial trial group. Shares of **Merck** rallied 8% on the news.
- In other markets,** the **USD** took a breather as risk-on sentiment took hold – this resulted in a rally across many major commodities, including **oil, gold, silver** and **tin**. Elsewhere, the **VIX Index** fell 9% on account of the day's market strength, while US **Treasury** yields were also bid – falling 2bps on the 10-year, to be comfortably below 1.5% once again.

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,486.6	7,629.7	-1.9%
ASX 200	7,185.5	7,332.2	-2.0%
ASX Emerging Companies	2,523.7	2,535.0	-0.4%

US Markets			
Dow Jones	34,326.5	33,843.9	1.4%
S&P500	4,357.0	4,307.5	1.1%
Nasdaq	14,566.7	14,448.6	0.8%
Russell 2000	2,241.6	2,204.4	1.7%

Asian & European Markets			
Shanghai Composite	3,568.2	3,568.2	0.0%
Nikkei	28,771.1	29,452.7	-2.3%
Hang Seng	24,575.6	24,575.6	0.0%
FTSE 100	7,027.1	7,086.4	-0.8%
DAX 30	15,156.4	15,260.7	-0.7%
CAC 40	6,517.7	6,520.0	0.0%

Economic Releases	Time	F'cast	Prior
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No major economic news today

Key BW Names	Close	Prior	% Δ
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Next Green Wave	0.480	0.455	5.5%
Paladin Energy	0.720	0.690	4.3%
Lotus Resources	0.245	0.235	4.3%
LiveHire	0.365	0.365	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	75.88	75.03	1.1%
Gold	1,760.8	1,757.5	0.2%
Gold (Aus)	2,424.1	2,432.1	-0.3%
Silver	22.54	22.18	1.6%
Uranium (Spot)	41.75	42.50	-1.8%
Tin (Futures)	33,855	33,278	1.7%

Currency	Close	Prior	% Δ
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DXY Index	94.07	94.24	-0.2%
AUD/USD	0.7264	0.7226	0.5%
AUD/GBP	0.5363	0.5363	0.0%
AUD/EUR	0.6264	0.6238	0.4%
AUD/YEN	80.61	80.42	0.2%
AUD/NZD	1.0470	1.0475	0.0%
AUD/CAD	0.9185	0.9164	0.2%

Other Markets	Close	Prior	% Δ
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VIX Index	21.15	23.14	-8.6%
2-Year Treasury Yield (%)	0.270	0.281	-3.9%
10-Year Treasury Yield (%)	1.463	1.487	-1.6%