

7 October 2021

US stocks stage intraday rally as debt ceiling discussions progress

- Global markets.** It was a volatile overnight session for international equities – with all markets trading sharply lower during European market hours (major markets there all closed down by >1%). However, as the US session wore on, stocks rallied sharply off their lows – the Dow up 0.3% (and ~550pts off its intra-day lows), the S&P 500 up 0.4% and Nasdaq higher by 0.5%.
- Debt ceiling progress.** The catalyst behind the mid-day turnaround was news that US Senate Majority Leader Mitch McConnell would look to offer a short-term extension to his Democratic colleagues in an attempt to “protect the American people from a near-term Democrat-created crisis”. The proposed short-term extension will last through December.
- Tech strong, re-opening names weak.** In stocks news, many of the biggest tech names closed well off their lows, with **Amazon** (+1%), **Alphabet** (+1%), **Apple** (+1%), **Nvidia** (+1%) and **Microsoft** (+2%) all ending higher for the day. While at the other end of the spectrum, key **re-opening plays** drifted lower – with the **cruises**, **casino** and **airline** names all ending in the red (the latter not helped by high-profile broker downgrade).
- In other markets,** the **USD** rose slightly against a basket of major currencies (and by 0.2% against the AUD), **commodities** were mixed with **uranium** and **oil** down, while **gold**, **silver** and **tin** were all up. The **VIX Index** declined 1% despite the day’s volatility and **Treasury** yields were mixed (up at the short-end, down at the long-end).
- Futures point higher.** Following the relatively strong lead from Wall Street, it appears local stocks will open higher when trading commences this morning – with ASX futures currently up by 33 points, or 0.5% at the time of writing. In economic news, today will see the local AiG services index released, while US weekly jobless claims are due out later tonight, as are ECB meeting minutes.

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,496.2	7,536.5	-0.5%
ASX 200	7,206.5	7,248.4	-0.6%
ASX Emerging Companies	2,489.8	2,485.4	0.2%

US Markets			
Dow Jones	34,417.0	34,314.7	0.3%
S&P500	4,363.6	4,345.7	0.4%
Nasdaq	14,501.9	14,433.8	0.5%
Russell 2000	2,215.0	2,228.4	-0.6%

Asian & European Markets			
Shanghai Composite	3,568.2	3,536.3	0.9%
Nikkei	27,528.9	27,822.1	-1.1%
Hang Seng	23,966.5	24,104.2	-0.6%
FTSE 100	6,995.9	7,077.1	-1.1%
DAX 30	14,973.3	15,194.5	-1.5%
CAC 40	6,493.1	6,576.3	-1.3%

Economic Releases	Time	F'cast	Prior
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AiG Services Index	9:00		45.6
ECB Meeting Minutes	11:30		
US Initial Jobless Claims	23:30		
US Continuing Jobless Claims	23:30		

Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.535	0.495	8.1%
Forbidden Foods	0.250	0.240	4.2%
Dubber Corporation	3.160	3.080	2.6%
Family Zone Cyber Security	0.675	0.665	1.5%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	77.43	78.93	-1.9%
Gold	1,762.6	1,759.4	0.2%
Gold (Aus)	2,423.1	2,412.8	0.4%
Silver	22.64	22.63	0.0%
Uranium (Spot)	39.13	40.13	-2.5%
Tin (Futures)	35,155	34,955	0.6%

Currency	Close	Prior	% Δ
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DXY Index	94.23	93.97	0.3%
AUD/USD	0.7274	0.7292	-0.2%
AUD/GBP	0.5354	0.5350	0.1%
AUD/EUR	0.6294	0.6286	0.1%
AUD/YEN	81.04	81.28	-0.3%
AUD/NZD	1.0519	1.0470	0.5%
AUD/CAD	0.9159	0.9173	-0.2%

Other Markets	Close	Prior	% Δ
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VIX Index	21.00	21.30	-1.4%
2-Year Treasury Yield (%)	0.302	0.286	5.6%
10-Year Treasury Yield (%)	1.524	1.529	-0.3%