

8 October 2021

Global markets surge as US lawmakers reach debt-ceiling deal

- **Global markets.** It was a strong night for global markets, with both US and European stocks ripping higher again – as US lawmakers reached a short-term agreement to extend the country's debt ceiling out until December. The news sent major US indices up ~1%, European indices up an even-more robust ~1.2%-1.9% and the Russell 2000 up by 1.6%.
- **Strong jobs data.** Assisting with the night's already positive sentiment was a better-than-expected jobs report from the US, with weekly jobless claims higher by just 326k against expectations for 348k, while the continuing claims number also came in well below forecasts – at 2.7m against 2.8m expected.
- **From a stock perspective,** the strength was broad-based, with **tech** names mostly higher – including from the likes of **Twitter** (+4%), **Facebook** (+3%), **Nvidia** (+2%) and most of the other majors ~1%. While within other sectors, the **energy** complex was strong as the price of **oil** added another 1%, while **re-opening** plays were mixed, with **airlines** and **cruise** names mostly lower, **casino** names slightly up and the **carmakers** strong – including a 5% move by **GM**.
- **In other markets,** the **USD** was flat, the **AUD** was up strongly against all major currencies, **commodities** were mixed – with **oil**, **copper** and **tin** up, while **gold**, **silver** and **uranium** were all comfortably lower. US **Treasury** yields also moved higher, as debt levels look almost certain to continue rising unabated (the 10-year closed at 1.58%). And finally, the **VIX Index** fell by 7% on the day's strong equity moves.
- **Futures point higher, US jobs on deck.** Following the strong lead from Wall Street, it appears local stocks will open sharply higher again this morning – with ASX futures up 41 points, or ~0.6% at the time of writing. In economics, today's major news will be the release of US Non-Farm Payrolls tonight; where economists are expecting ~500k jobs added and a tick lower in the country's unemployment rate (to 5.1%, from 5.2% previously).

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,551.2	7,496.2	0.7%
ASX 200	7,256.7	7,206.5	0.7%
ASX Emerging Companies	2,520.8	2,489.8	1.2%

US Markets

Dow Jones	34,754.9	34,417.0	1.0%
S&P500	4,399.8	4,363.6	0.8%
Nasdaq	14,654.0	14,501.9	1.0%
Russell 2000	2,250.1	2,215.0	1.6%

Asian & European Markets

Shanghai Composite	3,568.2	3,568.2	0.0%
Nikkei	27,678.2	27,528.9	0.5%
Hang Seng	24,701.7	23,966.5	3.1%
FTSE 100	7,078.0	6,995.9	1.2%
DAX 30	15,250.9	14,973.3	1.9%
CAC 40	6,600.2	6,493.1	1.6%

Economic Releases	Time	F'cast	Prior
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Building Permits	11:30	6.8%	-8.6%
China PMIs	Various		
US Non-Farm Payrolls	23:30	500k	235k
US Unemployment Rate	23:30	5.1%	5.2%

Key BW Names	Close	Prior	% Δ
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BetMakers Tech. Group	1.115	1.035	7.7%
Family Zone Cyber Security	0.720	0.675	6.7%
Jervois Mining	0.570	0.535	6.5%
Little Green Pharma	0.660	0.635	3.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.30	77.43	1.1%
Gold	1,754.9	1,762.6	-0.4%
Gold (Aus)	2,399.3	2,423.1	-1.0%
Silver	22.59	22.64	-0.2%
Uranium (Spot)	37.75	39.13	-3.5%
Tin (Futures)	35,258	35,155	0.3%

Currency	Close	Prior	% Δ
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DXY Index	94.21	94.23	0.0%
AUD/USD	0.7314	0.7274	0.5%
AUD/GBP	0.5372	0.5354	0.3%
AUD/EUR	0.6329	0.6294	0.6%
AUD/YEN	81.64	81.04	0.7%
AUD/NZD	1.0553	1.0519	0.3%
AUD/CAD	0.9179	0.9159	0.2%

Other Markets	Close	Prior	% Δ
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VIX Index	19.54	21.00	-7.0%
2-Year Treasury Yield (%)	0.313	0.302	3.6%
10-Year Treasury Yield (%)	1.577	1.524	3.5%