

25 November 2021

Tech leads modest gains overnight in quiet pre-Thanksgiving trade

- Global markets.** It was another mixed session for stocks in the US, albeit a volatile one, with the Dow Jones closing modestly lower (by <0.1%), the S&P 500 up 0.2% and Nasdaq best performer of the group – up 0.4% - following several days of declines. The market was sharply lower in early trade before recovering over the session. Elsewhere, the Russell 2000 added 0.2% and European equities finished the day mixed.
- Fed flags stagflation concerns.** The major economic news last night was the release of FOMC minutes, in which the Fed noted it “continued to judge that the risks to the baseline projection for economic activity were skewed to the downside and that the risks around inflation projection were skewed to the upside” – in other words, FOMC members now see a non-trivial risk of stagflation occurring at some point during the current cycle. Nevertheless, markets largely shrugged off the comments (as per above).
- In company news,** many of the market’s recent losers saw a bounce overnight, including **Meta**, **Zoom**, **Tesla** and **Netflix** – all of which were up by 1% - and **Nvidia** which added 3% for the session. Elsewhere, **HP Inc** shares shot higher by >10% as the computer hardware company beat earnings on both the top and bottom line and issued strong Q1 guidance.
- In other markets,** the **USD** continued its relentless rise higher – adding another 0.4% overnight and now approaching a level of 97 on the DXY. This strength didn’t appear to phase **commodity** prices, which were mixed with **oil**, **gold**, **silver** all closing lower, while **copper**, **iron ore** and **tin** prices were higher. **Uranium** was flat. Finally, the **yield curve** flattened as the 2-year rose 3bps and the 10-year lost the same amount and the **VIX Index** declined by 4% on account of the intraday market rally.
- Futures point higher.** Following the late-day surge in the US, it appears local shares will open higher when trading commences this morning – with ASX futures currently up by 7 points, or ~0.1% at the time of writing. US markets will be closed tonight for Thanksgiving.

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,725.5	7,741.7	-0.2%
ASX 200	7,399.4	7,410.6	-0.2%
ASX Emerging Companies	2,656.3	2,694.1	-1.4%

US Markets			
Dow Jones	35,804.4	35,813.8	0.0%
S&P500	4,701.5	4,690.7	0.2%
Nasdaq	15,845.2	15,775.1	0.4%
Russell 2000	2,331.5	2,327.9	0.2%

Asian & European Markets			
Shanghai Composite	3,592.7	3,589.1	0.1%
Nikkei	29,302.7	29,774.1	-1.6%
Hang Seng	24,685.5	24,651.6	0.1%
FTSE 100	7,286.3	7,266.7	0.3%
DAX 30	15,878.4	15,937.0	-0.4%
CAC 40	7,042.2	7,044.6	0.0%

Economic Releases	Time	F'cast	Prior
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German GDP	18:00	2.50%	9.80%
German Cons. Confidence	18:00	-0.5	0.9
ECB Policy Minutes	23:30		

Key BW Names	Close	Prior	% Δ
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Dubber Corporation	3.530	3.400	3.8%
LiveHire	0.380	0.375	1.3%
Little Green Pharma	0.660	0.660	0.0%
Jervois Mining	0.530	0.530	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.34	78.76	-0.5%
Gold	1,788.8	1,789.9	-0.1%
Gold (Aus)	2,486.3	2,477.3	0.4%
Silver	23.55	23.65	-0.4%
Uranium (Spot)	47.25	47.25	0.0%
Tin (Futures)	39,975	38,880	2.8%

Currency	Close	Prior	% Δ
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DXY Index	96.85	96.48	0.4%
AUD/USD	0.7194	0.7225	-0.4%
AUD/GBP	0.5398	0.5400	0.0%
AUD/EUR	0.6423	0.6423	0.0%
AUD/YEN	83.03	83.19	-0.2%
AUD/NZD	1.0467	1.0391	0.7%
AUD/CAD	0.9111	0.9149	-0.4%

Other Markets	Close	Prior	% Δ
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VIX Index	18.58	19.30	-3.7%
2-Year Treasury Yield (%)	0.645	0.617	4.5%
10-Year Treasury Yield (%)	1.641	1.676	-2.1%