

1 December 2021

## Markets lose ~2% overnight on hawkish commentary from Powell

- Powell spooks markets. Stocks were sharply lower again overnight, although this time the weakness was driven by comments from US Fed Chair Jerome Powell during his testimony infront of the Senate. In particular, the Fed Chair noted "the economy is very strong and inflrationary pressures are higher... it is therefore appropriate in my view to consider wrapping up the taper...perhaps a few months sooner".
- Global markets. The abovementioned comments saw all major US indices close either at, or near, their lows of the day, with the small cap Russell 2000 the worst performing index off 2.0% for the day while the Dow Jones and S&P 500 weren't far behind, losing 1.9% a piece. Elsewhere, the Nasdaq lost 1.6% and European indices were all lower by ~1% over the session.
- Moderna CEO on vaccines. In other news, markets were already nervous heading into the overnight session as Moderna CEO Stephane Bancel told the Financial Times there could be a "material drop" in the effectiveness of current vaccines against the Omicron variant. Bancel also told the newspaper it could take months to develop a new vaccine. Shares of Moderna lost 4% on the comments.
- In other markets, the USD was lower against a basket of currencies losing 0.4% for the day while the AUD was weaker still, down against all major crosses. The comments from Jerome Powell saw short-term yields spike (2-year up 4bps), while longer-dated yields were actually lower (10-year off 6bps), presumably on a mix of 'flight to safety' and 'policy error' trading. Most major commodities were also weak last night uranium, tin, gold, silver and oil were all lower, with the latter losing another 4% to be ~20% off its recent highs. And finally, the VIX Index spiked 20% on account of the day's volatility.
- Futures off 0.5%. Following the poor overnight lead, it
  appears local stocks will open lower again this morning
  with ASX futures off by 35 points, or ~0.5% at the time
  of writing. Today's major economic news will include
  PMIs from around the globe and Q3 GDP figures.

World Indices	Close	Prior	%∆
Local Markets			
All Ordinaries	7,587.4	7,562.5	0.3%
ASX 200	7,256.0	7,239.8	0.2%
ASX Emerging Companies	2,628.5	2,569.8	2.3%
US Markets			
Dow Jones	34,483.7	35,135.9	-1.9%
S&P500	4,567.0	4,655.3	-1.9%
Nasdaq	15,537.7	15,782.8	-1.6%
Russell 2000	2,198.9	2,243.8	-2.0%
Asian & European Markets			
Shanghai Composite	3,563.9	3,562.7	0.0%
Nikkei	27,821.8	28,283.9	-1.6%
Hang Seng	23,475.3	23,852.2	-1.6%
FTSE 100	7,059.5	7,110.0	-0.7%
DAX 30	15,100.1	15,280.9	-1.2%
CAC 40	6,721.2	6,776.3	-0.8%
Economic Releases	Time	F'cast	Prior
AiG Manufacturing Index	8:30		50.4
Markit Manufacturing PMI	9:00		58.2
Q3 GDP (YoY)	11:30	3.0%	9.6%
Global PMIs	Various		
Key BW Names	Close	Prior	%∆
Alderan Resources	0.033	0.031	6.5%
Alderan Resources Elementos	0.033 0.660	0.031 0.625	6.5% 5.6%
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Elementos BetMakers Tech. Group	0.660 0.900	0.625 0.870	5.6% 3.4%
Elementos BetMakers Tech. Group Lotus Resources	0.660 0.900 0.320	0.625 0.870 0.310	5.6% 3.4% 3.2%
Elementos BetMakers Tech. Group Lotus Resources  Commodities	0.660 0.900 0.320	0.625 0.870 0.310	5.6% 3.4% 3.2%
Elementos BetMakers Tech. Group Lotus Resources  Commodities  Oil - West Texas Crude	0.660 0.900 0.320 <b>Close</b> 66.82	0.625 0.870 0.310 <b>Prior</b> 69.62	5.6% 3.4% 3.2% <b>% Δ</b>
Elementos BetMakers Tech. Group Lotus Resources  Commodities  Oil - West Texas Crude Gold Gold (Aus) Silver	0.660 0.900 0.320 <b>Close</b> 66.82 1,772.1 2,486.4 22.79	0.625 0.870 0.310 <b>Prior</b> 69.62 1,783.2 2,500.6 22.85	5.6% 3.4% 3.2% <b>% Δ</b> -4.0% -0.6% -0.6% -0.3%
Elementos BetMakers Tech. Group Lotus Resources  Commodities  Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot)	0.660 0.900 0.320 <b>Close</b> 66.82 1,772.1 2,486.4 22.79 45.38	0.625 0.870 0.310 <b>Prior</b> 69.62 1,783.2 2,500.6 22.85 46.13	5.6% 3.4% 3.2% % Δ -4.0% -0.6% -0.6% -0.3% -1.6%
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Elementos BetMakers Tech. Group Lotus Resources  Commodities  Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures)  Currency	0.660 0.900 0.320 Close 66.82 1,772.1 2,486.4 22.79 45.38 38,935 Close	0.625 0.870 0.310 <b>Prior</b> 69.62 1,783.2 2,500.6 22.85 46.13 39,235	5.6% 3.4% 3.2%  % Δ  -4.0% -0.6% -0.6% -0.3% -1.6% -0.8%
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Elementos BetMakers Tech. Group Lotus Resources  Commodities  Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures)  Currency  DXY Index AUD/USD AUD/GBP AUD/EUR	0.660 0.900 0.320 Close 66.82 1,772.1 2,486.4 22.79 45.38 38,935 Close 95.90 0.7127 0.5359 0.6287	0.625 0.870 0.310 <b>Prior</b> 69.62 1,783.2 2,500.6 22.85 46.13 39,235 <b>Prior</b> 96.27 0.7131 0.5361 0.6322	5.6% 3.4% 3.2%  % \( \Delta \) -4.0% -0.6% -0.6% -0.3% -1.6% -0.8%  \( \Delta \) \(
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Elementos BetMakers Tech. Group Lotus Resources  Commodities  Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures)  Currency  DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/NZD	0.660 0.900 0.320 Close 66.82 1,772.1 2,486.4 22.79 45.38 38,935 Close 95.90 0.7127 0.5359 0.6287 80.64 1.0446	0.625 0.870 0.310 Prior 69.62 1,783.2 2,500.6 22.85 46.13 39,235 Prior 96.27 0.7131 0.5361 0.6322 81.07 1.0471	5.6% 3.4% 3.2%  % Δ  -4.0% -0.6% -0.3% -1.6% -0.8%  -0.4% -0.1% 0.0% -0.6% -0.5% -0.2%
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