

15 December 2021

Markets lower overnight, a big day of economics ahead (Fed & China)

- Global markets.** It was another poor night for global stocks, with all major indices in the US closing lower – led by the tech-heavy Nasdaq which gave up 1.1%, while the Dow Jones was strongest of the group, falling by just 0.3% over the day. Elsewhere, the Russell 2000 was also an underperformer, losing 1%, while markets in Europe were mixed with the FTSE off by just 0.2%, while the German DAX lost 1.1% for the day.
- Tech leads the losses.** The day's list of biggest losers was littered with familiar tech names, including **Adobe** (-7%), **Microsoft** (-3%), **Robinhood** (-3%) and **Zoom** (-2%), while other FAANG names were also lower in a range of ~1-2%.
- Fed meets tonight.** Last night's nerves came ahead of the Fed handing down its latest rate decision tonight, where investors are widely expecting the central bank to announce an increase in the pace of its tapering. The bank will also release its quarterly projections on the economy, inflation and interest rates, while Chair Jerome Powell will hold a press conference following the meeting – this will all occur at 6am-6:30am local time tomorrow morning.
- In other markets,** the **USD** was slightly higher against a basket of currencies, the **AUD** was off against all major crosses and **gold** and **silver** were both lower. In other **commodity** news, **oil** was off by 1%, **uranium** was flat (albeit, the sector was lower as a whole) and **tin** managed to buck the trend – rising 0.1% for the session. Elsewhere, the **VIX Index** closed 8% higher on account of the day's equity market volatility, while **yields** were higher ahead of the aforementioned Fed meeting.
- Futures lower by 0.4%.** Given the poor lead from Wall Street, and nerves ahead of tomorrow morning's Fed meeting, it appears local stocks will open slightly lower this morning – with ASX futures currently down by 29 points, or ~0.4%. In addition to the FOMC meeting, other economic news today will include inflation out of the UK and Chinese data – including FDI, retail sales and industrial production.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,698.3	7,697.5	0.0%
ASX 200	7,378.4	7,379.3	0.0%
ASX Emerging Companies	2,587.8	2,585.9	0.1%

US Markets

Dow Jones	35,544.2	35,651.0	-0.3%
S&P500	4,634.1	4,669.0	-0.7%
Nasdaq	15,237.6	15,413.3	-1.1%
Russell 2000	2,159.7	2,180.5	-1.0%

Asian & European Markets

Shanghai Composite	3,661.5	3,681.1	-0.5%
Nikkei	28,432.6	28,640.5	-0.7%
Hang Seng	23,636.0	23,954.6	-1.3%
FTSE 100	7,218.6	7,231.4	-0.2%
DAX 30	15,453.6	15,621.7	-1.1%
CAC 40	6,895.3	6,942.9	-0.7%

Economic Releases	Time	F'cast	Prior
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Westpac Cons. Confidence	10:30		105.3
China Data	Various		
UK Core Inflation	18:00	3.7%	3.4%
US Retail Sales	0:30	0.8%	1.7%
Fed Rate Decision	6:00	0.25%	0.25%
FOMC Econ. Projections	6:00		
Fed Press Conference	6:30		

Key BW Names	Close	Prior	% Δ
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Hydration Pharma.	0.355	0.290	22.4%
Forbidden Foods	0.220	0.205	7.3%
Dubber Corporation	3.260	3.170	2.8%
BetMakers Tech. Group	0.905	0.890	1.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	70.36	71.29	-1.3%
Gold	1,771.1	1,786.0	-0.8%
Gold (Aus)	2,492.8	2,505.0	-0.5%
Silver	21.95	22.31	-1.6%
Uranium (Spot)	43.00	43.00	0.0%
Tin (Futures)	38,790	38,745	0.1%

Currency	Close	Prior	% Δ
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DXY Index	96.57	96.32	0.3%
AUD/USD	0.7105	0.7130	-0.4%
AUD/GBP	0.5372	0.5395	-0.4%
AUD/EUR	0.6312	0.6319	-0.1%
AUD/YEN	80.83	80.98	-0.2%
AUD/NZD	1.0534	1.0555	-0.2%
AUD/CAD	0.9142	0.9132	0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	21.89	20.31	7.8%
2-Year Treasury Yield (%)	0.661	0.633	4.4%
10-Year Treasury Yield (%)	1.443	1.414	2.1%