

2 December 2021

## US markets end sharply lower as Omicron reaches the US, futures -1.1%

- Markets collapse as Omicron reaches the US.** US stocks rallied throughout much of the early part of last night's session (European indices also closed higher), until the CDC announced the first case of Omicron had been detected in California – swiftly sending all major indices lower, with the Nasdaq falling by as much as 4% from its intraday highs, while others performed similarly. All major markets ended near the lows of the day, with the S&P 500 best performer of the group, off 'only' 1.2% for the session.
- Travel stocks hit.** Unsurprisingly, it was travel stocks and the re-opening plays which were hit hardest during the market rout, with **American Airlines, United** and **Delta** all off >7%, **Boeing** lost 5%, cruise names **Norwegian** and **Carnival** lost 9% and 7% respectively and **Wynn Resorts** fell 6%. Retailers were also hit, while even Covid-plays weren't safe from the selling with **Zoom** off 6% for the session, while **Amazon** gave up 2%.
- In other markets,** the **USD** was slightly higher against a basket of currencies, **WTI crude** fell again – this time by 2%, to finish the day at \$65/bbl – despite having traded as high as ~\$70/bbl earlier in the session before the selling began. Amongst other **commodities**, there was actually some modest strength, with **uranium, tin** and **gold** all closing modestly higher, while **silver** lost 2.2%. Finally, the **VIX Index** rose another 15% to close above 30 for the first time since January and the **AUD** was lower against all major crosses.
- Futures lower by 1.1%.** Following this morning's sell-off in the US, local stocks look likely to open sharply lower when trading commences – with ASX futures currently lower by 79 points, or ~1.1% at the time of writing.
- In economic news,** today will see the release of local retail sales which are expected to show a 4.9% MoM improvement, while home and investment lending data are also due. Elsewhere, Eurozone GDP figures are out, as are weekly jobless claims in the US.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,557.8	7,587.4	-0.4%
ASX 200	7,235.9	7,256.0	-0.3%
ASX Emerging Companies	2,611.1	2,628.5	-0.7%

### US Markets

Dow Jones	34,022.0	34,483.7	-1.3%
S&P500	4,513.0	4,567.0	-1.2%
Nasdaq	15,254.1	15,537.7	-1.8%
Russell 2000	2,147.4	2,198.9	-2.3%

### Asian & European Markets

Shanghai Composite	3,576.9	3,563.9	0.4%
Nikkei	27,935.6	27,821.8	0.4%
Hang Seng	23,658.9	23,475.3	0.8%
FTSE 100	7,168.7	7,059.5	1.5%
DAX 30	15,472.7	15,100.1	2.5%
CAC 40	6,881.9	6,721.2	2.4%

Economic Releases	Time	F'cast	Prior
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Balance of Trade	11:30	A\$11.0b	A\$12.2b
Home Loans (MoM)	11:30	1.0%	-2.7%
Investment Loans (MoM)	11:30		1.4%
Retail Sales (MoM)	11:30	4.9%	1.3%
Eurozone Unemployment Rate	21:00	7.3%	7.4%
US Initial Jobless Claims	0:30		
US Continuing Jobless Claims	0:30		

Key BW Names	Close	Prior	% Δ
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Elementos	0.700	0.660	6.1%
ImExHS	1.090	1.035	5.3%
LiveHire	0.365	0.350	4.3%
Family Zone Cyber Security	0.525	0.515	1.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	65.33	66.82	-2.2%
Gold	1,782.7	1,772.1	0.6%
Gold (Aus)	2,509.1	2,486.4	0.9%
Silver	22.29	22.79	-2.2%
Uranium (Spot)	45.50	45.38	0.3%
Tin (Futures)	39,260	38,935	0.8%

Currency	Close	Prior	% Δ
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DXY Index	96.04	95.90	0.1%
AUD/USD	0.7105	0.7127	-0.3%
AUD/GBP	0.5353	0.5359	-0.1%
AUD/EUR	0.6277	0.6287	-0.2%
AUD/YEN	80.12	80.64	-0.6%
AUD/NZD	1.0432	1.0446	-0.1%
AUD/CAD	0.9105	0.9111	-0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	31.12	27.19	14.5%
2-Year Treasury Yield (%)	0.551	0.567	-2.8%
10-Year Treasury Yield (%)	1.404	1.452	-3.3%