

21 December 2021

Stocks lose ~1% overnight, although close well off the lows of the day

- Global markets.** It was another poor night for global stocks, with all markets across both the US and Europe ending comfortably in the red. However, US stocks rallied sharply off the lows of the day, with the major averages lower in a range of 1.1% - 1.2%, after having been down by ~2% early in the session. The Russell 2000 was an underperformer, off 1.6% for the day (although also well off its intraday lows of >3%), while stocks in Europe ended down in a range of 0.8% to 1.9%, led by the German DAX.
- Omicron fears grow.** The major driver of last night's sell-off was growing concern over the Omicron variant of Covid, which has now been found in 43 of the 50 US states and 90 countries, with case number expected to continue rising rapidly given the busy Christmas/New Year period ahead. US case numbers are consistently exceeding 150k per day.
- Re-opening plays weak.** Unsurprisingly, it was the re-opening names which led the sell-off last night given Omicron concerns, with **Boeing** down 2.2%, **Alaska Air** down 1%, **Las Vegas Sands** down 4% and **energy** stocks – which are heavily exposed to a slowing global economy – lower across the board on lower **oil** prices, with **Exxon** and **Devon Energy** each losing 2% for the session.
- In other markets,** the **USD** edged slightly lower, as did the **AUD** (which was off by 0.3% against the USD and back at ~71c), while **commodities** were mostly lower, with **oil** down 4%, **uranium** and **tin** both off 1% and **precious metals** modestly lower and still stuck in their respective ranges. Elsewhere, **bond yields** were flat-to-unchanged, with the 10-year higher by ~2bps at 1.43%. And finally, the **VIX Index** rose by 7%, although closed well off its highs of the day, having been up >20% at one stage.
- Futures slightly lower.** Given the weak lead from Wall Street, it appears local stocks will open modestly lower when trading commences this morning – with futures currently off 18 points, or ~0.3% at the time of writing. In economic news, RBA meeting minutes are due.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,602.2	7,626.2	-0.3%
ASX 200	7,292.2	7,304.0	-0.2%
ASX Emerging Companies	2,535.9	2,581.6	-1.8%

US Markets

Dow Jones	34,932.2	35,365.4	-1.2%
S&P500	4,568.0	4,620.6	-1.1%
Nasdaq	14,980.9	15,169.7	-1.2%
Russell 2000	2,139.3	2,173.9	-1.6%

Asian & European Markets

Shanghai Composite	3,593.6	3,632.4	-1.1%
Nikkei	27,937.8	28,545.7	-2.1%
Hang Seng	22,744.9	23,192.6	-1.9%
FTSE 100	7,198.0	7,269.9	-1.0%
DAX 30	15,239.7	15,531.7	-1.9%
CAC 40	6,870.1	6,926.6	-0.8%

Economic Releases	Time	F'cast	Prior
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RBA Meeting Minutes	11:30	2.6%	2.0%
German Cons. Confidence	16:30	-2.7	-1.6

Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.210	0.200	5.0%
ImExHS	0.970	0.950	2.1%
BetMakers Tech. Group	0.765	0.760	0.7%
Jervois Mining	0.550	0.550	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	68.23	70.86	-3.7%
Gold	1,789.1	1,798.7	-0.5%
Gold (Aus)	2,515.6	2,521.0	-0.2%
Silver	22.27	22.37	-0.4%
Uranium (Spot)	42.75	43.25	-1.2%
Tin (Futures)	38,223	38,435	-0.6%

Currency	Close	Prior	% Δ
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DXY Index	96.52	96.67	-0.2%
AUD/USD	0.7112	0.7135	-0.3%
AUD/GBP	0.5382	0.5388	-0.1%
AUD/EUR	0.6305	0.6347	-0.7%
AUD/YEN	80.80	81.07	-0.3%
AUD/NZD	1.0590	1.0575	0.1%
AUD/CAD	0.9202	0.9196	0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	23.09	21.57	7.0%
2-Year Treasury Yield (%)	0.634	0.634	0.0%
10-Year Treasury Yield (%)	1.425	1.407	1.3%