

22 December 2021

Markets rebound sharply overnight, Nasdaq +2.4%, small caps +3%

- Global markets.** It was a strong night for markets, following three consecutive sessions of Omicron-led declines as President Biden said in an address that the US would not be going back to March 2020 despite a recent spike in case numbers across the country. For the day, all major US indices were up by >1.5% - led by the Nasdaq, which gained 2.4% for the day – while the small cap Russell 2000 was a notable outperformer, rising by 2.9%. In Europe it was a similar story, with each of the major markets there closing higher by 1.4%.
- In company news, the chip stocks** were amongst the day's best performers as **Micron** posted better-than-expected earnings and rallied 10%, pushing other names such as **Nvidia** (+5%), **NXP** (+3%), and **AMD** (+6%) higher in sympathy. Elsewhere, **re-opening plays** were also strong, with **airlines** such as **Delta** (+6%) and **United** (+7%) sharply higher, **Carnival** (+9%) and other **cruises** were also strong, as were **casino** stocks and **Boeing**, which added 6% for the day.
- In other markets,** the day's moves took a typical risk-on shape, with **oil** moving higher by 5%, the **Yen** off 1% against the **USD**, the **VIX Index** falling 9%, **precious metals** essentially unchanged, **bond yields** higher along the curve – with the 10-year closing the day up 5bps at 1.47% and **bitcoin** and other cryptos also rallying. Elsewhere, **commodity** prices were strong virtually across the board also, with **uranium**, **tin**, **copper** and **iron ore** all closing higher for the session.
- Futures point higher.** Unsurprisingly, given the strong and broad-based lead from Wall Street and other markets overnight, it appears local stocks will open higher when trading commences this morning – with futures currently up by 11 points, or ~0.2% at the time of writing. In economic news, Westpac's index of leading indicators is due out today, as are GDP figures from both the US and the UK later tonight.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,666.7	7,602.2	0.8%
ASX 200	7,355.0	7,292.2	0.9%
ASX Emerging Companies	2,550.5	2,535.9	0.6%

<u>US Markets</u>			
Dow Jones	35,492.7	34,932.2	1.6%
S&P500	4,649.2	4,568.0	1.8%
Nasdaq	15,341.1	14,980.9	2.4%
Russell 2000	2,201.6	2,139.3	2.9%

<u>Asian & European Markets</u>			
Shanghai Composite	3,625.1	3,593.6	0.9%
Nikkei	28,517.6	27,937.8	2.1%
Hang Seng	22,971.3	22,744.9	1.0%
FTSE 100	7,297.4	7,198.0	1.4%
DAX 30	15,447.4	15,239.7	1.4%
CAC 40	6,965.0	6,870.1	1.4%

Economic Releases	Time	F'cast	Prior
Westpac Leading Index	11:00		0.2%
UK GDP	18:00	6.6%	23.6%
US GDP	00:30	2.1%	6.7%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.290	0.270	7.4%
Dubber Corporation	2.720	2.630	3.4%
LiveHire	0.330	0.320	3.1%
Jervois Mining	0.565	0.550	2.7%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	71.48	68.23	4.8%
Gold	1,788.7	1,789.1	0.0%
Gold (Aus)	2,500.3	2,515.6	-0.6%
Silver	22.50	22.27	1.0%
Uranium (Spot)	42.88	42.75	0.3%
Tin (Futures)	38,488	38,223	0.7%

Currency	Close	Prior	% Δ
DX Index	96.48	96.52	0.0%
AUD/USD	0.7154	0.7112	0.6%
AUD/GBP	0.5393	0.5382	0.2%
AUD/EUR	0.6341	0.6305	0.6%
AUD/YEN	81.63	80.80	1.0%
AUD/NZD	1.0565	1.0590	-0.2%
AUD/CAD	0.9241	0.9202	0.4%

Other Markets	Close	Prior	% Δ
VIX Index	21.06	23.09	-8.8%
2-Year Treasury Yield (%)	0.669	0.634	5.5%
10-Year Treasury Yield (%)	1.473	1.425	3.4%