

29 November 2021

Omicron fears send the Dow 900 points lower, oil -13%, VIX up >50%

- **Markets sold-off on Omicron fears.** Global stocks retreated on Friday night as fears of the new 'Omicron' variant of Covid sent the Dow Jones lower by over 900 points for its worst day of 2021, while the S&P 500 and Nasdaq each lost comfortably over 2%. Elsewhere, the Russell 2000 was harder hit than the other US majors, losing 3.7% for the day, and European indices were worse still, with the French CAC losing 4.3% to be the day's worst performing major index.
- **Oil craters 13%.** As country's all over the world began suspending flights again (this time from either South Africa, or a range of African nations), the price of oil collapsed – losing 13% and breaking below \$70/bbl – for its single worst session since the early days of the pandemic.
- **Travel stocks the worst hit.** On the abovementioned travel-theme, **cruise** and **airline** stocks were the worst hit sectors on Friday evening, with **Carnival** and **Royal Caribbean** off by 11% and 13% respectively, while **United Airlines** and **American** each lost 9% and **Boeing** gave up 5%. Finally, hotel names were also weak, with **Marriott** down 7% amongst others.
- **In other markets, the VIX Index** unsurprisingly rallied sharply on account of the day's equity market volatility – adding 54% for the session. While elsewhere, the prospect of new restrictions and the related slowing in economic growth saw **bond yields** tumble, with the US 2-year off 14bps and the 10-year 16bps. Finally, safe-havens such as the **Yen** rallied – up 1.4% against the **USD**, while **gold** and **silver** once again failed in their role, each closing lower for the day.
- **Futures off 1.4%.** Despite the weakness seen on local markets Friday afternoon, it appears the ASX may still have more to give, with futures currently lower by 104 points or 1.4% at the time of writing. However, with several reports over the weekend suggesting Omicron could prove relatively benign, the indicated open may not be a true gauge of this morning's sentiment.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,599.9	7,725.5	-1.6%
ASX 200	7,279.3	7,399.4	-1.6%
ASX Emerging Companies	2,596.0	2,656.3	-2.3%

<u>US Markets</u>			
Dow Jones	34,899.3	35,804.4	-2.5%
S&P500	4,594.6	4,701.5	-2.3%
Nasdaq	15,491.7	15,845.2	-2.2%
Russell 2000	2,245.9	2,331.5	-3.7%

<u>Asian & European Markets</u>			
Shanghai Composite	3,564.1	3,592.7	-0.8%
Nikkei	28,751.6	29,302.7	-1.9%
Hang Seng	24,080.5	24,685.5	-2.5%
FTSE 100	7,044.0	7,286.3	-3.3%
DAX 30	15,257.0	15,878.4	-3.9%
CAC 40	6,739.7	7,042.2	-4.3%

Economic Releases	Time	F'cast	Prior
Various CB Speakers	Various		
German Inflation	0:00	5.0%	4.5%

Key BW Names	Close	Prior	% Δ
Little Green Pharma	0.680	0.640	6.3%
Selfwealth	0.310	0.300	3.3%
Lotus Resources	0.305	0.300	1.7%
Elementos	0.025	0.025	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	68.15	78.34	-13.0%
Gold	1,793.7	1,788.8	0.3%
Gold (Aus)	2,512.2	2,486.3	1.0%
Silver	23.16	23.55	-1.7%
Uranium (Spot)	46.63	47.25	-1.3%
Tin (Futures)	39,163	39,975	-2.0%

Currency	Close	Prior	% Δ
DX Index	96.07	96.85	-0.8%
AUD/USD	0.7140	0.7194	-0.8%
AUD/GBP	0.5354	0.5398	-0.8%
AUD/EUR	0.6317	0.6423	-1.7%
AUD/YEN	81.19	83.03	-2.2%
AUD/NZD	1.0440	1.0467	-0.3%
AUD/CAD	0.9111	0.9111	0.0%

Other Markets	Close	Prior	% Δ
VIX Index	28.62	18.58	54.0%
2-Year Treasury Yield (%)	0.504	0.645	-21.9%
10-Year Treasury Yield (%)	1.479	1.641	-9.9%