

3 December 2021

Markets rebound overnight, Dow adds 620 points, NFP's out tonight

- Global markets.** Stocks in the US rebounded sharply overnight, erasing most of the losses from the prior session's Omicron-driven sell-off. For the day, the Dow Jones was strongest of the major's – adding 620 points – while the S&P 500 (+1.4%) was not far behind. The day's moves had a value/cyclical bent to them, with the small cap Russell 2000 finishing higher by 2.6% and sharply outperforming the tech-heavy Nasdaq, which finished higher by just 0.8% for the day. Over in Europe (where stocks closed before the sell-off in the prior session), all markets ended lower.
- Re-opening plays outperform.** Unsurprisingly, it was the re-opening names which rallied the sharpest last night – given they wore the brunt of the selling in the prior session – with names such as **Delta** (+9%), **MGM Resorts** (+8%), **Wynn** (+8%) and **Norwegian cruises** (+8%) all up very strongly. Elsewhere, **Boeing** rose by 8% on a mix of the aforementioned positivity and news that China had cleared its 737 Max to fly.
- Investors remain on edge ahead of NFPs.** Despite the strong overnight rally, the **VIX Index** only declined to a level of just below 28 as investors remain on-edge ahead of tonight's Non-Farm payrolls report from the US – where economists are expecting the country to add 550k jobs for the month and see unemployment tick down to 4.5% (from 4.6% in November).
- In other markets,** the **USD** was modestly up against a basket of major currencies and is holding above a level of 96, while the **AUD** was weaker against all major crosses and closed below US\$0.71. Elsewhere, **commodities** were mixed, with **uranium, tin** and **gold** all closing lower, while **silver** was slightly up and **oil** rallied by >5%. And finally, **bond yields** were higher along the curve, with the US 10-year up 4bps and the 2-year adding 7bps for the day.
- Futures point higher.** Following the strong lead from Wall Street overnight, it appears local stocks will open comfortably higher when trading commences – with ASX futures currently up by 52 points, or ~0.7% at the time of writing.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,536.1	7,557.8	-0.3%
ASX 200	7,225.2	7,235.9	-0.1%
ASX Emerging Companies	2,553.9	2,611.1	-2.2%

US Markets

Dow Jones	34,639.8	34,022.0	1.8%
S&P500	4,577.1	4,513.0	1.4%
Nasdaq	15,381.3	15,254.1	0.8%
Russell 2000	2,203.0	2,147.4	2.6%

Asian & European Markets

Shanghai Composite	3,573.8	3,576.9	-0.1%
Nikkei	27,753.4	27,935.6	-0.7%
Hang Seng	23,788.9	23,658.9	0.5%
FTSE 100	7,129.2	7,168.7	-0.6%
DAX 30	15,263.1	15,472.7	-1.4%
CAC 40	6,795.8	6,881.9	-1.3%

Economic Releases	Time	F'cast	Prior
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Markit Services PMI	9:00		
China Caixin Services PMI	12:45		51.5
China Caixin Composite PMI	12:45		53.8
ECB's Lagarde Speaks	19:30		
Global PMIs	Various		
US Non-Farm Payrolls	0:30	4.5%	4.6%
US Unemployment Rate	0:30	550k	531k

Key BW Names	Close	Prior	% Δ
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Alderman Resources	0.034	0.033	3.0%
Next Green Wave	0.355	0.345	2.9%
ImExHS	1.100	1.090	0.9%
LiveHire	0.365	0.365	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	68.84	65.33	5.4%
Gold	1,768.7	1,782.7	-0.8%
Gold (Aus)	2,494.3	2,509.1	-0.6%
Silver	22.40	22.29	0.5%
Uranium (Spot)	45.25	45.50	-0.5%
Tin (Futures)	39,050	39,260	-0.5%

Currency	Close	Prior	% Δ
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DXY Index	96.14	96.04	0.1%
AUD/USD	0.7091	0.7105	-0.2%
AUD/GBP	0.5331	0.5353	-0.4%
AUD/EUR	0.6275	0.6277	0.0%
AUD/YEN	80.24	80.12	0.1%
AUD/NZD	1.0402	1.0432	-0.3%
AUD/CAD	0.9082	0.9105	-0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	27.75	31.12	-10.8%
2-Year Treasury Yield (%)	0.623	0.551	13.1%
10-Year Treasury Yield (%)	1.449	1.404	3.2%

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