

7 December 2021

Futures higher by ~0.4% as US stocks rally – Dow rises 650 points

- **Global markets.** Markets rallied in the US overnight, with all three major indices up sharply – led by the Dow Jones which put on ~650 points, or 1.9%, while the S&P 500 rose 1.2% and tech-heavy Nasdaq was the relative underperformer, rising by 0.9% for the day. Elsewhere, small caps also had a very strong day, with the Russell 2000 ending 2% higher, while stocks over in Europe were up by ~1.5% across the board.

- **Re-opening plays again the standout.** From a sector perspective, the strongest overnight moves were seen in names most exposed to an economic rebound, with **United** and **American Airlines** both up by 8%, **cruise lines** were also higher by >8% and the **casino** and **hotels** majors finished higher in a range of ~4% - 6%. Elsewhere, **Meta** shares rose 4% to be the best performing major tech stock, while **Nvidia** (-2%) and **Tesla** (-1%) were weak once again.

- **In other markets,** the **USD** was slightly higher against a basket of currencies and the **AUD** regained some of its recent losses, rising to US\$0.70.5c after briefly falling below US\$0.70c yesterday. Elsewhere, **oil** rose ~6% on the day and was the only major **commodity** showing gains with **tin**, **uranium** **gold** and **silver** all ending slightly lower. Finally, the **VIX Index** declined 11% and **bond yields** rallied, with the 10-year back to 1.44% at the close.

- **Futures higher by 0.4%.** Despite the strong lead from Wall Street, it appears local stocks will only open slightly higher when trading commences this morning – with ASX futures currently showing an implied gain of 29 points, or ~0.4% at the time of writing.

- **RBA on deck.** In economic news, today's major event will be the RBA's handing down of its rate decision for December – where economists are expecting the bank to hold rates steady. Elsewhere, local building permits and AiG services data are due today, while later this evening Eurozone GDP data will also be released.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,529.0	7,543.6	-0.2%
ASX 200	7,245.1	7,241.2	0.1%
ASX Emerging Companies	2,460.3	2,546.9	-3.4%

US Markets

Dow Jones	35,227.0	34,580.1	1.9%
S&P500	4,591.7	4,538.4	1.2%
Nasdaq	15,225.2	15,085.5	0.9%
Russell 2000	2,203.5	2,159.3	2.0%

Asian & European Markets

Shanghai Composite	3,589.3	3,607.4	-0.5%
Nikkei	27,927.4	28,029.6	-0.4%
Hang Seng	23,349.4	23,766.7	-1.8%
FTSE 100	7,232.3	7,122.3	1.5%
DAX 30	15,380.8	15,170.0	1.4%
CAC 40	6,865.8	6,765.5	1.5%

Economic Releases	Time	F'cast	Prior
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AiG Services Index	8:30		47.6
Building Permits	11:30	-12.9%	-3.9%
RBA Rate Decision	14:30	0.1%	0.1%
Eurozone GDP	21:00	3.7%	14.2%

Key BW Names	Close	Prior	% Δ
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Webcentral	0.400	0.380	5.3%
Next Green Wave	0.345	0.345	0.0%
Little Green Pharma	0.615	0.620	-0.8%
Dubber Corporation	3.150	3.230	-2.5%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	69.98	66.26	5.6%
Gold	1,778.7	1,784.5	-0.3%
Gold (Aus)	2,523.0	2,548.9	-1.0%
Silver	22.38	22.55	-0.8%
Uranium (Spot)	45.13	45.25	-0.3%
Tin (Futures)	38,775	39,288	-1.3%

Currency	Close	Prior	% Δ
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DXY Index	96.30	96.15	0.2%
AUD/USD	0.7050	0.7001	0.7%
AUD/GBP	0.5316	0.5296	0.4%
AUD/EUR	0.6248	0.6190	0.9%
AUD/YEN	80.03	79.02	1.3%
AUD/NZD	1.0439	1.0367	0.7%
AUD/CAD	0.8995	0.8987	0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	27.23	30.67	-11.2%
2-Year Treasury Yield (%)	0.639	0.595	7.4%
10-Year Treasury Yield (%)	1.438	1.357	6.0%