

10 January 2022

Markets lower again on Friday as yields rise and jobs data disappoints

- **Futures flat to begin the week.** Following a rather weak Friday night session on Wall Street, it appears local stocks will begin this week more-or-less where they finished, with futures currently higher by just 2 points, or <0.1%. In economic news, today's major release will be local building permits data for the month of Nov – where a flat reading is expected (well up on the 13% decline in October).
- **This week in economics.** Over the balance of the week, key releases will include: local balance of trade and retail sales figures (tomorrow) and home lending data on Friday, while overseas; speeches from key central bank figures including Powell and Lagarde will take place overnight, Chinese and US inflation data are due Wednesday, UK GDP figures and US retail sales Friday.
- **Global markets on Friday.** It was another soft session for US stocks on Friday night as investors continued to digest hawkish Fed comments, while a poor jobs report only added to the poor sentiment. For the day, the tech-heavy Nasdaq was once again hit relatively hard – down 1% – while the small cap Russell 2000 lost 1.2%, the Dow ended flat and the S&P 500 closed down 0.4%. In Europe, the FTSE was higher, DAX and CAC lower.
- **In other markets,** bond yields continued to move up – with the 10-year briefly moving through 1.8% before closing at 1.77% - **precious metals** were higher, **oil** lower, **tin** up 2% and the **VIX** down 4% despite the day's poor equity market performance.
- **Weak US job numbers.** Being the first Friday of the month, US Non-Farm payrolls were released, with headline job additions of 199k being well below expectations for 422k and last month's 249k. An average hourly earnings pick-up of 0.6% for the month of December was also well above forecasts for 0.4% and only added further fuel to the 'inflation isn't transitory' argument. Finally, the unemployment rate, at 3.9%, was down sharply from 4.2% in the prior month and below expectations.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,774.4	7,679.3	1.2%
ASX 200	7,453.3	7,358.3	1.3%
ASX Emerging Companies	2,729.1	2,718.1	0.4%

US Markets

Dow Jones	36,231.7	36,236.5	0.0%
S&P500	4,677.0	4,696.1	-0.4%
Nasdaq	14,935.9	15,080.9	-1.0%
Russell 2000	2,179.8	2,206.4	-1.2%

Asian & European Markets

Shanghai Composite	3,579.5	3,586.1	-0.2%
Nikkei	28,478.6	28,487.9	0.0%
Hang Seng	23,493.4	23,072.9	1.8%
FTSE 100	7,485.3	7,450.4	0.5%
DAX 30	15,947.7	16,052.0	-0.6%
CAC 40	7,219.5	7,249.7	-0.4%

Economic Releases	Time	F'cast	Prior
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Building Permits (MoM)	11:30	0.0%	-12.9%
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Key BW Names	Close	Prior	% Δ
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Family Zone Cyber Security	0.590	0.570	3.5%
BetMakers Tech. Group	0.760	0.740	2.7%
Little Green Pharma	0.625	0.610	2.5%
Selfwealth	0.305	0.300	1.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.90	79.46	-0.7%
Gold	1,796.4	1,791.6	0.3%
Gold (Aus)	2,503.4	2,494.9	0.3%
Silver	22.37	22.20	0.8%
Uranium (Spot)	45.75	45.75	0.0%
Tin (Futures)	39,826	39,150	1.7%

Currency	Close	Prior	% Δ
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DX Index	95.74	96.32	-0.6%
AUD/USD	0.7176	0.7181	-0.1%
AUD/GBP	0.5283	0.5291	-0.2%
AUD/EUR	0.6319	0.6351	-0.5%
AUD/YEN	82.96	83.14	-0.2%
AUD/NZD	1.0588	1.0599	-0.1%
AUD/CAD	0.9077	0.9116	-0.4%

Other Markets	Close	Prior	% Δ
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VIX Index	18.76	19.61	-4.3%
2-Year Treasury Yield (%)	0.870	0.882	-1.4%
10-Year Treasury Yield (%)	1.766	1.733	1.9%

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