BW

27 January 2022

Markets sold-off again on hawkish fed commentary – yields up >10bps

- Markets fall on hawkish Fed comments. It was yet another very volatile session for US stocks overnight, with headline closing ranges for the three major indices of flat-to-down 0.4% hiding some extreme intraday moves under the surface – with the Nasdaq being up by >3% immediately prior to the release of the Fed's rate decision and subsequent Powell press conference commentary, before ultimately closing flat.
- Fed summary. The big picture message from the Fed was that while it does not intend to raise rates before March (and begin QT some time after that), it believes it has "quite a bit of room to raise interest rates without threatening the labour market" and thus inflation or the economy more-broadly. In his post-release press conference, Chairman Powell also noted that the Fed is preparing to "significantly reduce" the level of assets on its balance sheet, while not providing a specific time for this to begin.
- Yields spike. On the aforementioned Fed comments, bond yields spiked sharply higher – with the 2-year up 13bps to 1.15%, while the 10-year gained nearly 10bps to close the day at 1.87% - a fresh closing high in the post-Covid era, albeit still not enough to avoid a further flattening of the yield curve (by 4bps, to just 72bps).
- In other markets, the USD rallied against most major currencies, up 0.6% for the day, which in-turn weighed on commodity prices as tin, gold and silver were all lower, while spot uranium was flat (equities were off) and oil managed to buck the trend and continue its relentless rise higher to close at US\$87/bbl. Finally, the VIX Index rose by 3% on account of the day's equity market volatility.
- Futures slightly lower. Given the poor lead from Wall Street, it appears local stocks will open lower when trading commences this morning – with ASX futures currently lower by 26 points, or ~0.4% at the time of writing. In economic news, today's major events will include US durable goods orders and weekly jobless claims data tomorrow morning, Westpac's leading index and German consumer confidence figurs.

World Indices	Close	Prior	%Δ
Local Markets			
All Ordinaries	7,248.1	7,441.5	-2.6%
ASX 200	6,961.6	7,139.5	-2.5%
ASX Emerging Companies	2,476.5	2,607.8	-5.0%
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US Markets			
Dow Jones	34,168.1	34,297.7	-0.4%
S&P500	4,349.9	4,356.5	-0.1%
Nasdaq	13,542.1	13,539.3	0.0%
Russell 2000	1,976.5	2,004.0	-1.4%
Asian & European Markets			
Shanghai Composite	3,455.7	3,433.1	0.7%
Nikkei	27,011.3		-0.4%
Hang Seng	24,289.9		0.2%
FTSE 100	7,469.8	7,371.5	1.3%
DAX 30	15,459.4	15,123.9	2.2%
CAC 40	6,982.0	6,838.0	2.1%
	0,902.0	0,030.0	2.170
Economic Releases	Time	F'cast	Prior
NZ Inflation	8:45	5.7%	4.9%
Westpac Leading Index	10:30		0.1%
Germany Cons. Confidence	18:00	-7.8	-6.8
US Durable Goods Orders	0:30	-0.5%	2.5%
US GDP	0:30	5.5%	2.3%
US Initial Jobless Claims	0:30	260k	286k
US Continuing Jobless Claims	0:30	1.65m	1.64m
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Key BW Names	Close	Prior	%Δ
ImExHS	0.970	0.965	% ∆ 0.5%
ImExHS	0.970	0.965	0.5%
ImExHS Forbidden Foods	0.970 0.195	0.965 0.195	0.5% 0.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation	0.970 0.195 0.370 1.920	0.965 0.195 0.370 1.960	0.5% 0.0% 0.0% -2.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation	0.970 0.195 0.370	0.965 0.195 0.370	0.5% 0.0% -2.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude	0.970 0.195 0.370 1.920 Close 87.08	0.965 0.195 0.370 1.960 Prior 85.60	0.5% 0.0% 0.0% -2.0% %∆ 1.7%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold	0.970 0.195 0.370 1.920 Close 87.08 1,818.6	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7	0.5% 0.0% 0.0% -2.0% %∆ 1.7% -1.7%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus)	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0	0.5% 0.0% 0.0% -2.0% %∆ 1.7% -1.7% -1.1%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90	0.5% 0.0% 0.0% -2.0% %∆ 1.7% -1.7% -1.1% -1.7%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot)	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38	0.5% 0.0% -2.0% %∆ 1.7% -1.7% -1.1% -1.7% 0.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90	0.5% 0.0% 0.0% -2.0% %∆ 1.7% -1.7% -1.1% -1.7%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot)	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38	0.5% 0.0% -2.0% %∆ 1.7% -1.7% -1.1% -1.7% 0.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆ 0.6%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6% -0.3%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6% -0.3% 0.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327 81.56	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330 81.45	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6% -0.6% -0.3% 0.0% 0.1%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/YEN AUD/NZD	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327 81.56 1.0693	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330 81.45 1.0693	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6% -0.3% 0.0% 0.1% 0.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327 81.56	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330 81.45	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6% -0.6% -0.3% 0.0% 0.1%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/YEN AUD/NZD	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327 81.56 1.0693	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330 81.45 1.0693	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6% -0.3% 0.0% 0.1% 0.0%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/YEN AUD/YEN	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327 81.56 1.0693 0.9011	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330 81.45 1.0693 0.9035	0.5% 0.0% -2.0% % ∆ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % ∆ 0.6% -0.6% -0.6% -0.3% 0.0% 0.1% 0.0% -0.3%
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/YEN AUD/YZD AUD/CAD Other Markets	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327 81.56 1.0693 0.9011 Close	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330 81.45 1.0693 0.9035 Prior	0.5% 0.0% -2.0% % △ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% % △ 0.6% -0.3% 0.6% -0.3% 0.1% 0.0% -0.3% % △
ImExHS Forbidden Foods Webcentral Dubber Corporation Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/YEN AUD/YEN AUD/ZD AUD/CAD Other Markets VIX Index	0.970 0.195 0.370 1.920 Close 87.08 1,818.6 2,557.5 23.50 44.38 41,370 Close 96.51 0.7111 0.5282 0.6327 81.56 1.0693 0.9011 Close 31.96	0.965 0.195 0.370 1.960 Prior 85.60 1,849.7 2,586.0 23.90 44.38 42,555 Prior 95.95 0.7153 0.5297 0.6330 81.45 1.0693 0.9035 Prior 31.16	0.5% 0.0% -2.0% * ▲ 1.7% -1.7% -1.1% -1.7% 0.0% -2.8% * ▲ 0.6% -0.6% -0.6% -0.6% -0.3% 0.0% 0.1% 0.0% -0.3% * ▲ 2.6%

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