

1 February 2022

Markets rally sharply again overnight, futures +0.6%, RBA on deck

- Global markets.** It was another very strong session for stocks overnight, with all major indices in the US moving sharply higher – led by the Nasdaq, which added 3.4% for the session and followed by the Russell 2000 (+3%), S&P 500 (+1.9%) and Dow (+1.2%). However, despite the strong recovery staged in the past two sessions, all indices still finished the month of January sharply in the red, with the S&P 500 (down 5.3%) registering its worst performance since March of 2020.
- In company news,** it was tech leading the gains again with some extremely large moves coming from megacap names including **Tesla**, which rose by 11%, **Netflix** also 11%, **Spotify** by 13% and **Nvidia** by 7% - yet despite the strong session, they all finished lower for the month – by 22%, 29%, 20% and 19% respectively. Elsewhere, **Boing** shares rose 5% as the company announced it had won a \$34bn deal with Qatar Airways.
- In other markets,** the **USD** was sharply lower against a basket of currencies, which in-turn saw **commodity** prices move higher, with **oil, gold, silver** and **copper** higher. **Bond yields** were modestly higher along the curve, but slightly more so at the short-end, which once again saw the yield curve flatten. And finally, the **VIX Index** continued its return to normality, with an 11% decline.
- A big day for economics.** Being the first day of a new month (and a Tuesday), today will see the release of AiG manufacturing and Markit PMI data early this morning, followed by home lending data, retail sales and the latest RBA rate decision at 2:30pm. Internationally, PMIs are due from several major regions, including the Eurozone and US.
- Futures higher by 0.6%.** Following the strong lead from Wall Street overnight, it appears local stocks will open sharply higher when trading commences this morning – with ASX futures currently up by 42 points, or 0.6% at the time of writing.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,268.3	7,266.3	0.0%
ASX 200	6,971.6	6,988.1	-0.2%
ASX Emerging Companies	2,530.7	2,491.2	1.6%

US Markets

Dow Jones	35,131.9	34,725.5	1.2%
S&P500	4,515.6	4,431.9	1.9%
Nasdaq	14,239.9	13,770.6	3.4%
Russell 2000	2,028.5	1,968.5	3.0%

Asian & European Markets

Shanghai Composite	3,361.4	3,361.4	0.0%
Nikkei	27,002.0	26,717.3	1.1%
Hang Seng	23,802.3	23,550.1	1.1%
FTSE 100	7,464.4	7,466.1	0.0%
DAX 30	15,471.2	15,319.0	1.0%
CAC 40	6,999.2	6,965.9	0.5%

Economic Releases	Time	F'cast	Prior
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AiG Manufacturing Index	8:30		54.8
Markit Manufacturing PMI	9:00		57.7
Home Lending	11:30		7.6%
Investment Lending	11:30		3.8%
Retail Sales	11:30		7.3%
RBA Rate Decision	14:30	0.1%	0.1%
Global PMIs	Various		

Key BW Names	Close	Prior	% Δ
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Elementos	0.525	0.500	5.0%
BetMakers Tech. Group	0.620	0.595	4.2%
LiveHire	0.370	0.360	2.8%
Family Zone Cyber Security	0.465	0.455	2.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	88.28	86.82	1.7%
Gold	1,799.4	1,792.1	0.4%
Gold (Aus)	2,546.6	2,564.2	-0.7%
Silver	22.49	22.47	0.1%
Uranium (Spot)	43.10	43.50	-0.9%
Tin (Futures)	41,684	41,684	0.0%

Currency	Close	Prior	% Δ
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DXY Index	96.63	97.22	-0.6%
AUD/USD	0.7066	0.6989	1.1%
AUD/GBP	0.5256	0.5216	0.8%
AUD/EUR	0.6291	0.6269	0.4%
AUD/YEN	81.35	80.54	1.0%
AUD/NZD	1.0749	1.0667	0.8%
AUD/CAD	0.8981	0.8924	0.6%

Other Markets	Close	Prior	% Δ
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VIX Index	24.71	27.66	-10.7%
2-Year Treasury Yield (%)	1.181	1.164	1.5%
10-Year Treasury Yield (%)	1.780	1.771	0.5%
US 2-10-Year Spread	0.599	0.607	-1.3%