

14 February 2022

ASX to fall (-0.5%) as Russia/Ukraine concerns continue to grow

- Futures guide lower.** Following yet another sell-off in markets on Friday night, it appears local stocks will begin the week lower, with ASX futures currently off by 33 points, or ~0.5% at the time of writing. There will also be little in the way of economic data today to help rescue performance, with China FDI figures the key event – due out this evening at 6pm.
- This week in economics.** This week is set to be a busy week of economic news, with key economic events including: local employment data (Thu), which is expected to show a loss of 15k jobs for the month and a flat unemployment rate at 4.2%, FOMC minutes (Thu), inflation figures from the UK, China, France, Canada and Japan. GDP figures in Japan and Europe and European economic sentiment are also due over the week.
- Global markets on Friday.** Friday saw all the major indices across the world decline. The US was hit the hardest with the **Nasdaq** losing -2.8%, the **S&P500** dropping -1.9%, the **Dow Jones** off -1.4% and the **Russell 2000** down 1.0%. European markets did slightly better, with the **FTSE 100** only falling 0.1% and the **CAC/DAX** off 0.4% and 1.3% respectively.
- Yields collapse.** Bond yields were smashed intra day on Friday as a result of rising Russia and Ukraine tensions with the **2-Year** falling by a full 10bps and the **10-Year** 11bps. This combination of these moves saw the yield curve continue to flatten, albeit by just 1bp for the session.
- In other markets.** Oil prices continue to move closer to \$US100 per barrel, with **WTI** closing at \$US93.10 (+3.4%) on Friday night due to supply concerns as a result of the Russia/Ukraine conflict. Precious metals also closed on a high with **gold** rising +1.8% and **Silver** +1.7%. Unsurprisingly, the **VIX Index** also shot higher on the conflict news, up 14% for the day. And finally, the **AUD** was lower against numerous currencies (particularly the **yen** on a flight to safety), although it managed to gain 0.5% against the the Euro.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,515.8	7,595.5	-1.0%
ASX 200	7,217.3	7,288.5	-1.0%
ASX Emerging Companies	2,618.3	2,657.0	-1.5%

US Markets

Dow Jones	34,738.1	35,241.6	-1.4%
S&P500	4,418.6	4,504.1	-1.9%
Nasdaq	13,791.2	14,185.6	-2.8%
Russell 2000	2,030.2	2,051.2	-1.0%

Asian & European Markets

Shanghai Composite	3,463.0	3,485.9	-0.7%
Nikkei	27,696.1	27,696.1	0.0%
Hang Seng	24,906.7	24,924.4	-0.1%
FTSE 100	7,661.0	7,672.4	-0.1%
DAX 30	15,425.1	15,490.4	-0.4%
CAC 40	7,011.6	7,101.6	-1.3%

Economic Releases	Time	F'cast	Prior
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China FDI	18:00		14.9%
ECB President Lagarde Speaks	3:15		

Key BW Names	Close	Prior	% Δ
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Carbonxt	0.315	0.275	14.5%
Family Zone Cyber Security	0.480	0.475	1.1%
Aston Minerals	0.160	0.160	0.0%
Hydralyte	0.250	0.250	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	93.10	90.0	3.4%
Gold	1,859.1	1,826.7	1.8%
Gold (Aus)	2,604.6	2,552.0	2.1%
Silver	23.58	23.19	1.7%
Uranium (Spot)	43.25	43.00	0.6%
Tin (Futures)	43,549	43,111	1.0%

Currency	Close	Prior	% Δ
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DXY Index	96.03	95.69	0.4%
AUD/USD	0.7138	0.7158	-0.3%
AUD/GBP	0.5266	0.5282	-0.3%
AUD/EUR	0.6297	0.6265	0.5%
AUD/YEN	82.25	83.10	-1.0%
AUD/NZD	1.0729	1.0735	-0.1%
AUD/CAD	0.9091	0.9109	-0.2%

Other Markets	Close	Prior	% Δ
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VIX Index	27.36	23.99	14.0%
2-Year Treasury Yield (%)	1.516	1.613	-6.0%
10-Year Treasury Yield (%)	1.943	2.052	-5.3%
US 2-10-Year Spread	0.427	0.439	-2.7%