

21 February 2022

Markets set to open lower following more Friday night declines in the US

- **Futures lower.** The ASX is expected to open in the red again this morning – with futures off 51 points, or 0.7% - following more weakness across the globe on Friday night. In other news, it has already been a busy morning locally – with AGL rejecting MKB's bid, A2 Milk (**A2M**) profits halved despite revenue slipping only 2.5%, Altium (**ALU**) profits sky-rocketed +37.7% and Ampol (**ALD**) recorded a \$560m profit for the 2021 calendar year.
- **This week in economics.** It will be a slow start to the week for economic news, with global PMIs the major event today (due locally and from several European countries), although releases will begin to heat up as the week progresses, with key events to watch out for including: plenty of Fed speakers (Bostic, Mester, Bowman and Waller), Eurozone inflation (Wed), US GDP (Thu) and US PCE data (Fri).
- **Global Markets.** A rough end to the week saw the majority of major indices across the world finish down on Friday night – once again in reaction to the Russia/Ukraine conflict. In the US, the **Dow Jones** (-0.7%) the **S&P500** (-0.7%), **Nasdaq** (-1.2%) and **Russell 2000** (-0.9%) were all red, while in Europe the **DAX 30** was hit the hardest losing -1.5%.
- **In commodity news,** despite the weak session for equities, commodities were not hit as hard with **WTI Crude** down just 0.6%, yet still well off its high of ~\$95 last week, **uranium** also lost just 0.3%, while **tin** continued to build on its momentum gaining 0.6%. The precious metals also finished in the green, with **silver** adding +0.5% and **Gold** +0.2%, continuing their recent strong run.
- **In other markets,** Treasury yields slipped in both the **2-year** and **10-year** (-4bps), which saw the **US 2-10 spread** flatten by 4bps to just 46bps at the time of writing. The **VIX** also edged back -1.3% to \$27.75, yet remains relatively elevated due to ongoing equity market volatility.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,502.8	7,574.8	-1.0%
ASX 200	7,221.7	7,296.2	-1.0%
ASX Emerging Companies	2,563.2	2,546.3	0.7%

<u>US Markets</u>			
Dow Jones	34,079.2	34,312.0	-0.7%
S&P500	4,348.9	4,380.3	-0.7%
Nasdaq	13,548.1	13,716.7	-1.2%
Russell 2000	2,009.3	2,028.1	-0.9%

<u>Asian & European Markets</u>			
Shanghai Composite	3,490.8	3,468.0	0.7%
Nikkei	27,122.1	27,232.9	-0.4%
Hang Seng	24,327.7	24,792.8	-1.9%
FTSE 100	7,513.6	7,537.4	-0.3%
DAX 30	15,042.5	15,267.6	-1.5%
CAC 40	6,929.6	6,964.8	-0.5%

Economic Releases	Time	F'cast	Prior
Markit Manufacturing PMI	9:00		55.1
Markit Services PMI	9:00		46.6
Global Markit PMIs	Various		
Fed's Bowman Speaks	3:15		

Key BW Names	Close	Prior	% Δ
Jervois Mining	0.670	0.635	5.5%
Alderan Resources	0.024	0.023	4.3%
Family Zone Cyber Security	0.450	0.435	3.4%
Lotus Resources	0.250	0.250	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	91.07	91.6	-0.6%
Gold	1,897.8	1,897.8	0.0%
Gold (Aus)	2,646.4	2,639.9	0.2%
Silver	23.92	23.81	0.5%
Uranium (Spot)	43.13	43.25	-0.3%
Tin (Futures)	43,900	43,650	0.6%

Currency	Close	Prior	% Δ
DXY Index	96.11	95.82	0.3%
AUD/USD	0.7171	0.7189	-0.3%
AUD/GBP	0.5277	0.5279	0.0%
AUD/EUR	0.6335	0.6327	0.1%
AUD/YEN	82.46	82.63	-0.2%
AUD/NZD	1.0718	1.0742	-0.2%
AUD/CAD	0.9144	0.9135	0.1%

Other Markets	Close	Prior	% Δ
VIX Index	27.75	28.11	-1.3%
2-Year Treasury Yield (%)	1.470	1.472	-0.1%
10-Year Treasury Yield (%)	1.928	1.970	-2.1%
US 2-10-Year Spread	0.458	0.498	-8.0%