

22 February 2022

ASX futures off ~1% as Russia/Ukraine tensions continue to build

- Global markets.** It was a very quiet overnight session, with all US equity and bond markets closed for observance of the Presidents' Day holiday. Over in Europe, stocks were all hit hard on a continued rise in Russia/Ukraine tensions (discussed below). For the day, the FTSE lost 0.4%, while German and French indices were both off a more-dramatic 2.1% and 2.0% respectively.
- Putin holds a televised address.** The key market event overnight was a televised address held from Russian President Vladimir Putin, in which the leader set stage for a war in Ukraine. In his address, Putin said the 4m people currently living Donbas were "victims of genocide", called the situation a "tragedy", referred to Ukraine as "historic Russian land" and called the country's flirtations with NATO "a direct threat" to his country. Putin also signed a decree recognising the independence of breakaway regions, Luhansk and Donetsk – a move that was said to disappoint leaders of both France and Germany.
- Safe havens rally.** On the abovementioned remarks and general concern over Russia/Ukraine tensions, those markets which were still trading (currencies, some commodities, crypto) all went into risk-off mode with **gold** rising another 0.4% - backing up after a very strong rally yesterday – **oil** added another 3%, with **WTI crude** now back at US\$94/bbl, the **Yen** was stronger against all major crosses and **crypto** assets were sharply lower in late-morning trade.
- Futures off by 1%.** Following the comments out of Russia overnight, and weak lead from Europe, it appears local stocks will open sharply lower when trading commences this morning – with ASX futures currently down by 70pts or ~1% at the time of writing.
- In economic news,** today's major events will be the release of German business climate data later this afternoon, US Markit manufacturing PMIs tomorrow morning (expected to be ~flat MoM) and Conference Board consumer confidence, also out of the US, with an expectation to see this measure tick lower MoM.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,507.0	7,502.8	0.1%
ASX 200	7,233.6	7,221.7	0.2%
ASX Emerging Companies	2,518.1	2,563.2	-1.8%

US Markets

Dow Jones	34,079.2	34,079.2	0.0%
S&P500	4,348.9	4,348.9	0.0%
Nasdaq	13,548.1	13,548.1	0.0%
Russell 2000	2,009.3	2,009.3	0.0%

Asian & European Markets

Shanghai Composite	3,490.6	3,490.8	0.0%
Nikkei	26,910.9	27,122.1	-0.8%
Hang Seng	24,170.1	24,327.7	-0.6%
FTSE 100	7,484.3	7,513.6	-0.4%
DAX 30	14,731.1	15,042.5	-2.1%
CAC 40	6,788.3	6,929.6	-2.0%

Economic Releases	Time	F'cast	Prior
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German Business Climate	20:00	96.5	95.7
US Markit Manufacturing PMI	1:45	56.0	55.5
US CB Cons. Confidence	2:00	110.0	113.8

Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.165	0.155	6.5%
Jervois Mining	0.700	0.670	4.5%
Aston Minerals	0.155	0.150	3.3%
Hydralyte	0.250	0.250	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	93.95	91.07	3.2%
Gold	1,904.6	1,897.8	0.4%
Gold (Aus)	2,648.2	2,646.4	0.1%
Silver	23.97	23.92	0.2%
Uranium (Spot)	43.13	43.13	0.0%
Tin (Futures)	43,900	43,900	0.0%

Currency	Close	Prior	% Δ
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DX Index	96.12	96.11	0.0%
AUD/USD	0.7192	0.7171	0.3%
AUD/GBP	0.5287	0.5277	0.2%
AUD/EUR	0.6357	0.6335	0.3%
AUD/YEN	82.55	82.46	0.1%
AUD/NZD	1.0731	1.0718	0.1%
AUD/CAD	0.9172	0.9144	0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	27.75	27.75	0.0%
2-Year Treasury Yield (%)	1.470	1.470	0.0%
10-Year Treasury Yield (%)	1.928	1.928	0.0%
US 2-10-Year Spread	0.458	0.458	0.0%