

9 February 2022

US markets rise again overnight, CBA reports strong interim results

- **Global markets.** US stocks rose overnight, with all major indices advancing – led by the Russell 2000 (+1.6%), while the Nasdaq (+1.3%) and Dow (+1.1%) were each similarly strong, rising by >1%, while the S&P 500 was the day's laggard with a 0.8% rise. The overnight strength was relatively broad-based with gainers outpacing decliners 2:1 and 8 of the S&P's 11 sub-sectors advancing, with **energy** the only soft sector, down 2.1% for the session. Over in Europe, markets ended broadly flat.
- **Rotation into resources continues.** From a sector perspective, the major story overnight was continued movement into the **materials** space, with that sector being the day's best performer (+1.6%), while the S&P's **Metals & Mining ETF** rose 4%. The strength comes ahead of US inflation data due out on Friday morning (local time); where investors are expecting another hot result, at +7.3% YoY.
- **Yields higher again.** With inflation expectations on the rise (as per above) and central banks continuing with their hawkish tone, US **bond yields** were once again higher overnight, with the 2-year +6bps and the 10-year up 4bps. The relative outperformance of the latter saw the yield curve continue to flatten and now sits at just 61bps.
- **In other markets,** the **AUD** benefitted from stronger commodity markets – up against most major crosses and by 0.3% against an otherwise strong **USD**. The price of **gold** and **silver** rose by <1% and the **VIX Index** continued its move lower on account of the day's equity market strength.
- **Futures point higher.** Following the strong lead from Wall Street, it appears local stocks will open higher when trading commences this morning – with ASX futures currently up by 18 points, or ~0.3% at the time of writing. In reporting news, **CBA** released its half-yearly results this morning, with interim cash profits rising 23% to \$4.7bn, while its dividend will also rise to \$1.75/Sh.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,489.0	7,414.2	1.0%
ASX 200	7,186.7	7,110.8	1.1%
ASX Emerging Companies	2,610.1	2,581.4	1.1%

US Markets

Dow Jones	35,462.8	35,091.1	1.1%
S&P500	4,521.5	4,483.9	0.8%
Nasdaq	14,194.5	14,015.7	1.3%
Russell 2000	2,045.4	2,012.6	1.6%

Asian & European Markets

Shanghai Composite	3,452.6	3,429.6	0.7%
Nikkei	27,284.5	27,248.9	0.1%
Hang Seng	24,329.5	24,579.6	-1.0%
FTSE 100	7,567.1	7,573.5	-0.1%
DAX 30	15,242.4	15,206.6	0.2%
CAC 40	7,028.4	7,009.3	0.3%

Economic Releases	Time	F'cast	Prior
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Westpac Cons. Confidence	10:30		102.2
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Key BW Names	Close	Prior	% Δ
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Selfwealth	0.225	0.210	7.1%
Hydralyte	0.263	0.255	2.9%
Jervois Mining	0.640	0.625	2.4%
Lotus Resources	0.245	0.240	2.1%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	89.50	91.5	-2.2%
Gold	1,826.1	1,821.2	0.3%
Gold (Aus)	2,555.5	2,556.7	0.0%
Silver	23.19	23.02	0.7%
Uranium (Spot)	42.50	43.00	-1.2%
Tin (Futures)	42,944	43,021	-0.2%

Currency	Close	Prior	% Δ
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DXY Index	95.60	95.44	0.2%
AUD/USD	0.7146	0.7123	0.3%
AUD/GBP	0.5274	0.5265	0.2%
AUD/EUR	0.6257	0.6228	0.5%
AUD/YEN	82.56	81.99	0.7%
AUD/NZD	1.0750	1.0741	0.1%
AUD/CAD	0.9078	0.9024	0.6%

Other Markets	Close	Prior	% Δ
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VIX Index	21.44	22.86	-6.2%
2-Year Treasury Yield (%)	1.350	1.292	4.5%
10-Year Treasury Yield (%)	1.964	1.923	2.1%
US 2-10-Year Spread	0.614	0.631	-2.7%