

1 March 2022

Stocks mixed overnight, yields fall sharply, RBA on deck today

- Global markets.** It was a mixed overnight session for international equities, with the S&P 500 and Dow each closing lower (by 0.2% and 0.5% respectively), while the Nasdaq and Russell 2000 both managed to eek out gains of 0.4% a piece. All US indices closed well off their lows and ended near the highs of the day. In Europe, stocks closed mostly lower, with the French CAC off 1.4% and leading the declines.
- Yields decline sharply.** The abovementioned tech outperformance was driven by a sharp move lower in yields, with the US 10-year falling ~15bps to end at 1.82% and well off recent highs of >2%. The 2-year was also materially lower, down 14bps to 1.43%, with investors having essentially given up on the prospect of a 50bp rate hike from the Fed in March.
- Defence and uranium strong.** In company news, there was outperformance amongst **defence** names, with **Lockheed Martin** and **Northrop Grumman** up 7% and 8% respectively, while **Raytheon** was a relative underperformer, yet still up 5% for the day. Elsewhere, **uranium** names were strong again with key sector ETFs rising by 6% - 7% for the session.
- In other markets,** the price of **oil** continued to rise, with **WTI crude** adding another \$4/bbl or ~4%, **gold** and **silver** rose on a renewed move into safe havens – each was up ~1% for the day – **tin** prices were flat, **copper** was modestly higher and the **VIX Index** was actually up 10% for the day, despite the reasonably low volatility seen in equity markets.
- Futures point higher.** It appears local stocks will open higher when trading commences this morning, with ASX futures currently higher by 22 points, or ~0.3% at the time of writing.
- In economic news,** today will see the release of Markit manufacturing PMIs, home lending data and the latest RBA rate decision. While internationally, German inflation data is due, as are global PMIs from several regions including the US and Eurozone.

World Indices	Close	Prior	% Δ
---------------	-------	-------	-----

Local Markets

All Ordinaries	7,323.2	7,273.6	0.7%
ASX 200	7,049.1	6,997.8	0.7%
ASX Emerging Companies	2,482.1	2,465.3	0.7%

US Markets

Dow Jones	33,892.6	34,058.8	-0.5%
S&P500	4,373.9	4,384.7	-0.2%
Nasdaq	13,751.4	13,694.6	0.4%
Russell 2000	2,048.1	2,040.9	0.4%

Asian & European Markets

Shanghai Composite	3,462.3	3,451.4	0.3%
Nikkei	26,526.8	26,476.5	0.2%
Hang Seng	22,713.0	22,767.2	-0.2%
FTSE 100	7,458.3	7,489.5	-0.4%
DAX 30	14,461.0	14,567.2	-0.7%
CAC 40	6,658.8	6,752.4	-1.4%

Economic Releases	Time	F'cast	Prior
-------------------	------	--------	-------

Markit Manufacturing PMI	9:00		55.1
Home Loans MoM	11:30	2.0%	5.3%
Investment Loans MoM	11:30		2.4%
RBA Rate Decision	14:30	0.1%	0.1%
Global PMIs	Various		
German Inflation	0:00	5.1%	4.9%

Key BW Names	Close	Prior	% Δ
--------------	-------	-------	-----

Lotus Resources	0.290	0.255	13.7%
Forbidden Foods	0.160	0.150	6.7%
Little Green Pharma	0.500	0.485	3.1%
Jervois Mining	0.715	0.705	1.4%

Commodities	Close	Prior	% Δ
-------------	-------	-------	-----

Oil - West Texas Crude	95.55	91.59	4.3%
Gold	1,908.2	1,889.3	1.0%
Gold (Aus)	2,627.7	2,638.2	-0.4%
Silver	24.45	24.27	0.7%
Uranium (Spot)	48.25	46.50	3.8%
Tin (Futures)	44,800	44,800	0.0%

Currency	Close	Prior	% Δ
----------	-------	-------	-----

DXY Index	96.72	96.54	0.2%
AUD/USD	0.7262	0.7161	1.4%
AUD/GBP	0.5412	0.5372	0.7%
AUD/EUR	0.6474	0.6427	0.7%
AUD/YEN	83.47	82.52	1.2%
AUD/NZD	1.0727	1.0735	-0.1%
AUD/CAD	0.9205	0.9156	0.5%

Other Markets	Close	Prior	% Δ
---------------	-------	-------	-----

VIX Index	30.15	27.59	9.3%
2-Year Treasury Yield (%)	1.432	1.576	-9.1%
10-Year Treasury Yield (%)	1.824	1.969	-7.4%
US 2-10-Year Spread	0.392	0.393	-0.3%

Disclosure: BW Equities advise that they and persons associated with them may have an interest in the above securities and that they may earn brokerage, commissions, fees and other benefits and advantages in connection with the making of a recommendation or a dealing by a client in these securities or by seeking to do business with companies covered in this report. Investors should consider investment risks and conflicts highlighted at the end of this report and not only consider this report in making an investment decision.