

15 March 2022

## Futures off ~0.9% as both commodities and tech decline overnight

- Global markets.** The relentless selling pressure in equities continued overnight, with US stocks ending comfortably lower again – as measured by the S&P 500, which lost 0.7% for the day, its 7<sup>th</sup> decline in the past 8 sessions – while the tech-heavy Nasdaq and small cap Russell 2000 were each off by ~2%. The Dow managed to close ~flat as its heavy **financials** weighting helped offset declines elsewhere.
- Tech continues to underperform...** As mentioned above, it was another poor night for tech names as yields shot materially higher (discussed below) and weakness during the Asian session weighed on tech sentiment more-broadly; for the day, the Hang Seng TECH index lost a mammoth 11% to now be ~65% off its mid-2021 highs. Amongst megacap US names, the day's notable underperformers included **Apple** (-3%), **Amazon** (-3%), **Netflix** (-3%), **Alphabet** (-3%), **Nvidia** (-4%), **Tesla** (-4%) and the **ARK Innovation ETF** (-6%).
- ...While commodities were also weak.** Elsewhere, it was also a poor night for commodities as renewed Covid lockdown in China raised demand concerns, with **WTI crude** off 6% and briefly trading below US\$100/bbl, **uranium** fell 6% (and key ETFs were down more), **tin** lost 3%, **gold** and **silver** gave up 2% and 3% respectively, **copper** fell 3% and **iron ore** 7%. The **AUD** unsurprisingly lost ground against all major crosses on this weakness (1.4% vs the **USD**).
- Yields hit new cycle highs.** As inflation concerns continue to mount – and ahead of the Fed's likely rate hike on Wednesday – US **Treasuries** were also sold off sharply overnight, with the 2-year adding 11bps to finish the session at 1.87%, while the 10-year added 15bps for the session and closed at 2.15% - a fresh high in the post-Covid era and the highest level since late-2019 (when yields were declining).
- Futures lower.** Unsurprisingly, given the sharp falls in both commodities and tech overnight, local shares look likely to open well down when trading begins this morning – with ASX futures off 61 points, or ~0.9%.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,422.2	7,339.3	1.1%
ASX 200	7,149.4	7,063.6	1.2%
ASX Emerging Companies	2,576.1	2,576.9	0.0%

### US Markets

Dow Jones	32,945.2	32,944.2	0.0%
S&P500	4,173.1	4,204.3	-0.7%
Nasdaq	12,581.2	12,843.8	-2.0%
Russell 2000	1,941.7	1,979.7	-1.9%

### Asian & European Markets

Shanghai Composite	3,223.5	3,309.7	-2.6%
Nikkei	25,307.9	25,162.8	0.6%
Hang Seng	19,531.7	20,553.8	-5.0%
FTSE 100	7,193.5	7,155.6	0.5%
DAX 30	13,929.1	13,628.1	2.2%
CAC 40	6,369.9	6,260.3	1.8%

Economic Releases	Time	F'cast	Prior
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RBA Meeting Minutes	11:30		
China Data (Various)	13:00		
UK Employment Rate	18:00	4.0%	4.1%
Eurozone Econ. Sentiment	21:00		48.6
US PPI (MoM)	23:30	0.9%	1.0%

Key BW Names	Close	Prior	% Δ
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Elementos	0.670	0.650	3.1%
Family Zone Cyber Security	0.350	0.340	2.9%
Jervois Mining	0.755	0.740	2.0%
Hydralyte	0.225	0.225	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	103.01	109.33	-5.8%
Gold	1,950.9	1,988.2	-1.9%
Gold (Aus)	2,712.6	2,726.9	-0.5%
Silver	25.05	25.86	-3.1%
Uranium (Spot)	55.25	58.50	-5.6%
Tin (Futures)	43,500	44,100	-1.4%

Currency	Close	Prior	% Δ
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DXY Index	99.07	99.13	-0.1%
AUD/USD	0.7192	0.7291	-1.4%
AUD/GBP	0.5530	0.5594	-1.1%
AUD/EUR	0.6570	0.6679	-1.6%
AUD/YEN	84.99	85.54	-0.6%
AUD/NZD	1.0656	1.0712	-0.5%
AUD/CAD	0.9220	0.9281	-0.7%

Other Markets	Close	Prior	% Δ
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VIX Index	31.77	30.75	3.3%
2-Year Treasury Yield (%)	1.867	1.752	6.6%
10-Year Treasury Yield (%)	2.144	1.998	7.3%
US 2-10-Year Spread	0.277	0.246	12.6%