

24 March 2022

## Markets take a breather as rates and oil move relentlessly higher

- Global markets.** Global equities saw an overdue pullback overnight, following multiple sessions of strong performances. In the US, all indices were down between 1.2-1.7% (Russel 2000 -1.7% and S&P500 -1.2%). This pullback was mirrored across Europe; where the FTSE was the day's best market, down by just 0.2%, while the CAC/DAX were each off by >1%. Asian markets were green during the day, with an impressive +3.0% gain in the Nikkei.
- Yields fall.** There were big swings again across the fixed income complex last night, with the 2-Year (-7.7bps) and the 10-Year (-9.0bps), resulting in a 1.3bps flattening in the 2-10-Year spread. These moves saw the curve fall back under 20bps.
- In other markets.** **WTI Crude** has continued to rip higher following supply concerns, closing at ~\$114/barrel (+2.2% overnight and ~+10% this week). Precious metals also had a solid day, with **gold** adding +1.2% and **silver** gaining +1.4%. **Tin** continued to fall from its all time highs, slipping another -0.5% whilst **Uranium** remained unchanged at \$58.50/lb. The **AUD/USD** hit a 4 month high, closing at ~75c, assisted by higher commodity prices.
- Futures.** The ASX is expected to slip when trading commence sthis morning, mirroring the overnight performance of global markets. As of the time of writing, ASX futures are down ~0.7%.
- Economics.** Another busy day for economic news awaits, with both local and foreign PMIs being released. Indeed, US Durable Goods Orders will also be released, and is forecasted to fall by -0.5%. In the US, numerous Fed speakers will be presenting today, such as Waller, Evans and Bostic.
- ASX Company news.** **JB Hi-Fi** has reported strong results this morning, with YoY top-line growth at +11.3%. Moreover, **Brickworks** delivered an after-tax profit of \$581 million for the second half of 2021 – an 8 fold increase in pcp.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,665.0	7,620.7	0.6%
ASX 200	7,377.9	7,341.1	0.5%
ASX Emerging Companies	2,735.5	2,709.6	1.0%

<u>US Markets</u>			
Dow Jones	34,358.5	34,807.5	-1.3%
S&P500	4,456.2	4,511.6	-1.2%
Nasdaq	13,922.6	14,108.8	-1.3%
Russell 2000	2,052.2	2,088.3	-1.7%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,271.0	3,259.9	0.3%
Nikkei	28,040.2	27,224.1	3.0%
Hang Seng	22,154.1	21,889.3	1.2%
FTSE 100	7,460.6	7,476.7	-0.2%
DAX 30	14,283.7	14,473.2	-1.3%
CAC 40	6,581.4	6,659.4	-1.2%

Economic Releases	Time	F'cast	Prior
Markit Manufacturing PMI	09:00		57.0
Markit Services PMI	09:00		57.4
Global PMIs	Various		
US Durable Goods Orders	23:30	-0.5%	1.6%
Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
Alderan Resources	0.023	0.020	15.0%
Family Zone Cyber Security	0.450	0.410	9.8%
Forbidden Foods	0.160	0.150	6.7%
Elementos	0.830	0.780	6.4%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	114.21	111.76	2.2%
Gold	1,944.6	1,921.0	1.2%
Gold (Aus)	2,593.8	2,572.3	0.8%
Silver	25.12	24.78	1.4%
Uranium (Spot)	58.50	58.50	0.0%
Tin (Futures)	41,388	41,603	-0.5%

Currency	Close	Prior	% Δ
DXY Index	98.64	98.42	0.2%
AUD/USD	0.7497	0.7468	0.4%
AUD/GBP	0.5678	0.5631	0.8%
AUD/EUR	0.6810	0.6767	0.6%
AUD/YEN	90.83	90.30	0.6%
AUD/NZD	1.0748	1.0724	0.2%
AUD/CAD	0.9418	0.9387	0.3%

Other Markets	Close	Prior	% Δ
VIX Index	23.57	22.94	2.7%
2-Year Treasury Yield (%)	2.098	2.175	-3.5%
10-Year Treasury Yield (%)	2.295	2.385	-3.8%
US 2-10-Year Spread	0.197	0.210	-6.2%

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