

25 March 2022

## Stocks rally again overnight on “cautious optimism” ceasefire headlines

- **Global markets.** It was another strong session for equities overnight as news of “cautious optimism” in ceasefire talks overshadowed hawkish comments from President Biden during his visit to Brussels. For the day, all major markets in the US were up by >1%, led once again by the tech-heavy Nasdaq which rose 1.9% for the session. The S&P 500 was up 1.4%, while both the Dow and Russell added ~1% for the day. In Europe, stocks were broadly unchanged.

- **Materials and chip stocks lead.** While the overnight gains were broad based (all 11 of the S&P 500's sub sectors were up), it was really **materials** (+2.0%) and **tech** (+2.7%) which drove the market, with the major chip names all having stellar nights – including a 10% rise in **Nvidia**, 7% in **Intel** and 6% in **AMD**, while the megacap stocks were mostly strong – **Meta** (+3%), **Apple** (+2%), **Alphabet** (+2%) and **Microsoft** (+2%). Finally, **Uber** rose by 5% on news that it would list all NYC taxis on its app.

- **Yields move higher again.** Following yesterday's collapse in yields (and stocks), the two markets were again moving in tandem with yields rising along the curve – including a relatively large 8bps jump in the 10yr to 2.38%. The yield curve steepened by 4bps to 0.24%, as measured by the 2-10 spread.

- **In other markets,** the price of **oil** fell modestly on the abovementioned “careful optimism” headlines, with **WTI** off ~2% for the day. In **commodity** news, **gold** and **silver** were each up ~1%, as was **tin**, while **spot uranium** eased back slightly. While finally, the **VIX Index** fell by another 8% and is fast approaching its long-term average of ~20.

- **Futures point higher.** Given the strong lead from Wall Street, it appears local stocks will open higher again this morning – with ASX futures currently up by 38 points, or ~0.5%. In economic news, today will see German business climate and Michigan consumer sentiment figures released, while FOMC members Williams, Barkin and Waller are all due to speak early tomorrow morning.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,669.0	7,665.0	0.1%
ASX 200	7,387.1	7,377.9	0.1%
ASX Emerging Companies	2,713.2	2,735.5	-0.8%

### US Markets

Dow Jones	34,707.9	34,358.5	1.0%
S&P500	4,520.2	4,456.2	1.4%
Nasdaq	14,191.8	13,922.6	1.9%
Russell 2000	2,075.4	2,052.2	1.1%

### Asian & European Markets

Shanghai Composite	3,250.3	3,271.0	-0.6%
Nikkei	28,110.4	28,040.2	0.3%
Hang Seng	21,946.0	22,154.1	-0.9%
FTSE 100	7,467.4	7,460.6	0.1%
DAX 30	14,273.8	14,283.7	-0.1%
CAC 40	6,555.8	6,581.4	-0.4%

Economic Releases	Time	F'cast	Prior
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German Business Climate	20:00	94.2	98.9
Michigan Cons. Sentiment	1:00		
Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
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BetMakers Tech. Group	0.680	0.665	2.3%
Frontier Energy	0.260	0.255	2.0%
Hydralyte	0.300	0.295	1.7%
LiveHire	0.355	0.355	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	112.34	114.21	-1.6%
Gold	1,958.0	1,944.6	0.7%
Gold (Aus)	2,607.1	2,593.8	0.5%
Silver	25.54	25.12	1.7%
Uranium (Spot)	58.25	58.50	-0.4%
Tin (Futures)	41,750	41,388	0.9%

Currency	Close	Prior	% Δ
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DXY Index	98.79	98.64	0.2%
AUD/USD	0.7510	0.7497	0.2%
AUD/GBP	0.5696	0.5678	0.3%
AUD/EUR	0.6829	0.6810	0.3%
AUD/YEN	91.88	90.83	1.2%
AUD/NZD	1.0791	1.0748	0.4%
AUD/CAD	0.9408	0.9418	-0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	21.67	23.57	-8.1%
2-Year Treasury Yield (%)	2.135	2.098	1.8%
10-Year Treasury Yield (%)	2.375	2.295	3.5%
US 2-10-Year Spread	0.240	0.197	21.8%