

28 March 2022

## Futures +0.4%, despite a continued move higher in global bond yields

- **Futures point higher.** With global markets ending broadly higher on Friday night, and little in the way of new news over the weekend, it appears local stocks will begin the week on a positive footing – with ASX futures currently ahead by 33 points, or ~0.4% at the time of writing. There is little in the way of economic news due out today, outside of a speech from BOE Governor Bailey later this evening.
- **This week in economics.** Over the balance of this week, key economic releases will include: local retail sales (tomorrow), US consumer confidence figures, GDP and PCE (Wed), German employment and UK GDP (Thu), global PMIs and US non-farm payrolls (Fri) and Eurozone inflation figures scattered over the week.
- **Global markets on Friday.** It was a mixed, but mostly stronger, session in global markets on Friday night – with the S&P 500 and Dow Jones ending up 0.5% and 0.4% respectively, while all major markets in Europe were also in the green. Only the Nasdaq finished lower for the session (-0.2%) on account of another sharp move higher in bond yields (discussed below).
- **Yields spike again.** The major news to come out of Friday night's session was another aggressive move higher in yields (and right along the curve), with US 2-year Treasuries adding 15bps for the day – to close at 2.28% - while the 10-year also added 10bps to end at 2.48%. The moves came as markets begin to price in multiple 50bps rate hikes from the Fed this year, with the sharp moves resulting in the yield curve flattening by another 4bps.
- **In other markets,** the **USD** continued its slow march higher as it moves ever-closer to the psychologically important 100 level on the DXY. This strength had little impact on **oil** however (which added 1% for the day), while **gold** and **silver** were essentially flat, as were **uranium** prices (ETFs were modestly lower). **Tin** added 1% and the **VIX Index** fell 4% on account of the day's lack of equity market volatility.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,689.9	7,669.0	0.3%
ASX 200	7,406.2	7,387.1	0.3%
ASX Emerging Companies	2,713.6	2,713.2	0.0%

### US Markets

Dow Jones	34,861.2	34,707.9	0.4%
S&P500	4,543.1	4,520.2	0.5%
Nasdaq	14,169.3	14,191.8	-0.2%
Russell 2000	2,078.0	2,075.4	0.1%

### Asian & European Markets

Shanghai Composite	3,212.2	3,250.3	-1.2%
Nikkei	28,149.8	28,110.4	0.1%
Hang Seng	21,404.9	21,946.0	-2.5%
FTSE 100	7,483.4	7,467.4	0.2%
DAX 30	14,305.8	14,273.8	0.2%
CAC 40	6,553.7	6,555.8	0.0%

Economic Releases	Time	F'cast	Prior
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BOE Governor Bailey Speaks

22:00

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.215	0.205	4.9%
Jervois Mining	0.880	0.865	1.7%
Family Zone Cyber Security	0.450	0.445	1.1%
Hydralyte	0.295	0.295	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	113.90	112.34	1.4%
Gold	1,958.2	1,958.0	0.0%
Gold (Aus)	2,607.4	2,607.1	0.0%
Silver	25.52	25.54	-0.1%
Uranium (Spot)	58.25	58.25	0.0%
Tin (Futures)	42,300	41,750	1.3%

Currency	Close	Prior	% Δ
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DXY Index	98.81	98.79	0.0%
AUD/USD	0.7510	0.7510	0.0%
AUD/GBP	0.5697	0.5696	0.0%
AUD/EUR	0.6836	0.6829	0.1%
AUD/YEN	91.66	91.88	-0.2%
AUD/NZD	1.0794	1.0791	0.0%
AUD/CAD	0.9375	0.9408	-0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	20.81	21.67	-4.0%
2-Year Treasury Yield (%)	2.280	2.135	6.8%
10-Year Treasury Yield (%)	2.479	2.375	4.4%
US 2-10-Year Spread	0.199	0.240	-17.1%