

29 March 2022

Futures +0.5% following a strong session from US tech overnight

- **Global markets.** The overnight session saw all US indices finish in the green, with the Nasdaq leading the charge gaining +1.3%, followed by the S&P500 (+0.7%) and the Dow Jones (+0.3%). Elsewhere, the small cap Russell 2000 was ~flat, while European markets were up overall, as the DAX and CAC jumped +0.8% and +0.5% respectively.
- **Yield curves inverting.** The major news yesterday (and last night) was all bond related, with yields continuing to rise aggressively during the local session and the 5/30yr spread inverting for the first time since 2006. Elsewhere, the closely-watched 2/10yr spread also continued to flatten (and is now nearing a point of inversion), with the 2-year adding 6bps and 10-year losing ~2bps, to see the spread finish at just 12bps, down from ~20bps a day earlier.
- **In company news,** the falls in long-dated bond yields saw tech stocks outperform, with the FANG stocks including notable gains from **Amazon** (+2.6%) and **Microsoft** (+2.3%). Elsewhere, **Tesla** soared +8% following plans to approve a stock split and the **energy** sector was hit hard following sharp declines in oil prices (discussed further below).
- **In other markets, WTI Crude** prices collapsed, losing ~\$10/bbl over the session as lockdowns in China raised demand concerns for the commodity. **Gold** and **Silver** also got hit hard, losing -1.8% and -2.6% respectively. **Uranium** saw marginal gains of +0.4% and **Tin** remained unchanged at \$42,300. The **AUD/USD** saw a minor pull back, dropping just below \$0.75 (-0.2%) – the **DX** bounced +0.4%, edging closer to \$100. And finally, the **VIX Index** (-5.7%) ended below its long term average of ~20 for the first time since the Russia/Ukraine conflict began.
- **Futures point higher.** Following the strong gains from Wall Street overnight, it appears local stocks will open higher when trading commences this morning – with ASX futures currently up by 38 pints, or ~0.5% at the time of writing. In economic news, local retail sales are due just before midday.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,689.3	7,689.9	0.0%
ASX 200	7,412.4	7,406.2	0.1%
ASX Emerging Companies	2,698.5	2,713.6	-0.6%

US Markets

Dow Jones	34,955.9	34,861.2	0.3%
S&P500	4,575.5	4,543.1	0.7%
Nasdaq	14,354.9	14,169.3	1.3%
Russell 2000	2,078.1	2,078.0	0.0%

Asian & European Markets

Shanghai Composite	3,214.5	3,212.2	0.1%
Nikkei	27,943.9	28,149.8	-0.7%
Hang Seng	21,685.0	21,404.9	1.3%
FTSE 100	7,473.1	7,483.4	-0.1%
DAX 30	14,417.4	14,305.8	0.8%
CAC 40	6,589.1	6,553.7	0.5%

Economic Releases	Time	F'cast	Prior
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Retail Sales	11:30	1.0%	1.8%
German Cons. Confidence	17:00	-14.0	-8.1
US CB Cons. Confidence	1:00	107.0	110.5

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.350	0.345	1.4%
LiveHire	0.360	0.355	1.4%
Elementos	0.820	0.820	0.0%
Hydralyte	0.295	0.295	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	103.42	113.90	-9.2%
Gold	1,922.6	1,958.2	-1.8%
Gold (Aus)	2,566.2	2,607.4	-1.6%
Silver	24.86	25.52	-2.6%
Uranium (Spot)	58.50	58.25	0.4%
Tin (Futures)	42,300	42,300	0.0%

Currency	Close	Prior	% Δ
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DX Index	99.16	98.81	0.4%
AUD/USD	0.7492	0.7510	-0.2%
AUD/GBP	0.5722	0.5697	0.4%
AUD/EUR	0.6822	0.6836	-0.2%
AUD/YEN	92.72	91.66	1.2%
AUD/NZD	1.0867	1.0794	0.7%
AUD/CAD	0.9379	0.9375	0.0%

Other Markets	Close	Prior	% Δ
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VIX Index	19.63	20.81	-5.7%
2-Year Treasury Yield (%)	2.340	2.280	2.6%
10-Year Treasury Yield (%)	2.465	2.479	-0.6%
US 2-10-Year Spread	0.125	0.199	-37.2%

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