

8 March 2022

ASX to open ~flat as the tech → commodities rotation continues

- **Global markets.** It was another bloodbath in markets overnight, with all major US indices lower by >2.4% and once again led by the tech-heavy Nasdaq, which lost 3.6% and closed near the lows of the day. The Dow lost ~800 points, the S&P 500 3% and the small cap Russell 2000 was also off 2.5% for the session. Over in Europe, markets were also soft – albeit less so, given most of the selling happened late in the US session.
- **Tech sell-off continues.** Amongst the hardest hit individual names overnight were **Meta** (-6%), which is now off >50% from its recent highs, **Nvidia** (-7%), **Amazon** (-6%), **Alphabet** (-4%), **Tesla** (-4%) and the **ARK Innovation ETF**, which lost another 4%. While elsewhere, **airlines** and **banks** were also hard hit, with names such as **Delta** and **American** each off >10% for the day on the sharp rise in oil prices.
- **Commodities rally hard.** At the other end of the spectrum, the recent rally in commodities continued on Russia/Ukraine tensions, with some of the biggest moves including an incredible ~80% spike in **Nickel** at one point, **oil** rising ~10% before settling back at \$120/bbl (+4%), while other moves of significance included a 1% move in each of **spot uranium** and **gold**. **Silver** was ~flat.
- **In other markets,** the **VIX Index** spiked another 14% on account of the day's volatility – and now sits at a level of 36 – while **yields** rose along the curve, with the US 10-year adding 4bps, 2-year adding 6bps and the yield curve flattening by a further ~1bp over the day. Finally, the **AUD** was a little softer against all major crosses, following an extremely strong run up in recent sessions.
- **Futures point to a flat open.** Despite the heavy selling in international markets overnight, it appears the local market's skew toward resources will see it open ~flat when trading commences this morning – with ASX futures currently down by just 5 points, or <0.1% at the time of writing.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,321.2	7,395.3	-1.0%
ASX 200	7,038.6	7,110.8	-1.0%
ASX Emerging Companies	2,517.5	2,557.0	-1.5%

<u>US Markets</u>			
Dow Jones	32,817.4	33,614.8	-2.4%
S&P500	4,201.1	4,328.9	-3.0%
Nasdaq	12,831.0	13,313.4	-3.6%
Russell 2000	1,951.3	2,000.9	-2.5%

<u>Asian & European Markets</u>			
Shanghai Composite	3,372.9	3,447.7	-2.2%
Nikkei	25,221.4	25,985.5	-2.9%
Hang Seng	21,057.6	21,905.3	-3.9%
FTSE 100	6,959.5	6,987.1	-0.4%
DAX 30	12,834.7	13,094.5	-2.0%
CAC 40	5,982.3	6,061.7	-1.3%

Economic Releases	Time	F'cast	Prior
Eurozone GDP	21:00	4.6%	3.9%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.295	0.260	13.5%
Jervois Mining	0.790	0.730	8.2%
Alderman Resources	0.020	0.019	5.3%
Elementos	0.600	0.590	1.7%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	119.69	115.68	3.5%
Gold	1,998.2	1,972.0	1.3%
Gold (Aus)	2,731.2	2,676.1	2.1%
Silver	25.62	25.70	-0.3%
Uranium (Spot)	50.88	50.38	1.0%
Tin (Futures)	46,975	46,975	0.0%

Currency	Close	Prior	% Δ
DXY Index	99.20	98.51	0.7%
AUD/USD	0.7316	0.7369	-0.7%
AUD/GBP	0.5582	0.5577	0.1%
AUD/EUR	0.6736	0.6746	-0.1%
AUD/YEN	84.35	84.67	-0.4%
AUD/NZD	1.0720	1.0758	-0.4%
AUD/CAD	0.9368	0.9384	-0.2%

Other Markets	Close	Prior	% Δ
VIX Index	36.45	31.98	14.0%
2-Year Treasury Yield (%)	1.540	1.488	3.5%
10-Year Treasury Yield (%)	1.777	1.732	2.6%
US 2-10-Year Spread	0.237	0.244	-2.9%