

9 March 2022

Markets rally, then retreat, as US/Russia increase trade restrictions

- **Global markets.** It was a volatile session for US equities overnight, with markets opening flat, before subsequently rallying on news that Ukraine may no longer look to enter NATO – with the Nasdaq up by >2% at one stage in the session. However, in late-afternoon trade, headlines re: the US banning the import of Russian oil and retaliatory steps from Russia shortly thereafter, sent markets plummeting, with all major indices closing in the red and well off their highs of the day. The one index which bucked this trend was the Russell 2000, which gained 0.6% for the session.
- **Uranium rallies.** Despite the overall weak night for equities, it was another reasonably good session across the commodity complex, particularly within **uranium**; where the spot price rallied to \$52.38/lb – a fresh 10-year high – while key sector ETFs rose by between 4% to 7%.
- **In other markets,** the price of crude initially shot higher on the Russian-embargo headlines, with **WTI** touching \$128/bbl (while **Brent crude** reached as high as \$139/bbl), before both ultimately moderated over the back half of the session, with WTI closing at \$124/bbl – still up ~4% for the day. Elsewhere, **gold** remained strong, adding another 3% to push well through \$2k an ounce, **silver** was likewise up 3%, **tin** rose 3% and the **VIX Index** fell 4% despite the day's market volatility. Finally, **yields** rallied along the curve – as near-term inflation concerns continued to rise – with the 2-year up 7bps for the day and the 10-year also rising by 7bps.
- **Futures point higher.** Despite the weak lead from Wall Street overnight, it appears the ASX will open slightly higher (given the market's heavy commodity weighting), with ASX futures currently up by 20 points, or ~0.3% at the time of writing.
- **In economic news,** RBA Governor Philip Lowe is due to give a speech early this morning, while the Westpac consumer confidence index is out, as are Chinese inflation figures around midday.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,252.9	7,321.2	-0.9%
ASX 200	6,980.3	7,038.6	-0.8%
ASX Emerging Companies	2,467.8	2,517.5	-2.0%

<u>US Markets</u>			
Dow Jones	32,632.6	32,817.4	-0.6%
S&P500	4,170.7	4,201.1	-0.7%
Nasdaq	12,795.6	12,831.0	-0.3%
Russell 2000	1,963.0	1,951.3	0.6%

<u>Asian & European Markets</u>			
Shanghai Composite	3,293.5	3,372.9	-2.4%
Nikkei	24,791.0	25,221.4	-1.7%
Hang Seng	20,765.9	21,057.6	-1.4%
FTSE 100	6,964.1	6,959.5	0.1%
DAX 30	12,831.5	12,834.7	0.0%
CAC 40	5,963.0	5,982.3	-0.3%

Economic Releases	Time	F'cast	Prior
RBA Governor Lowe Speaks	09:15		
Westpac Cons. Confidence	10:30		100.8
China Inflation	12:30	0.9%	0.9%

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.310	0.295	5.1%
Elementos	0.618	0.600	2.9%
Hydralyte	0.225	0.220	2.3%
Frontier Energy	0.165	0.165	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	124.33	119.69	3.9%
Gold	2,052.8	1,998.2	2.7%
Gold (Aus)	2,822.9	2,731.2	3.4%
Silver	26.43	25.62	3.2%
Uranium (Spot)	52.38	50.88	2.9%
Tin (Futures)	48,203	46,975	2.6%

Currency	Close	Prior	% Δ
DXI Index	99.11	99.20	-0.1%
AUD/USD	0.7272	0.7316	-0.6%
AUD/GBP	0.5551	0.5582	-0.6%
AUD/EUR	0.6670	0.6736	-1.0%
AUD/YEN	84.11	84.35	-0.3%
AUD/NZD	1.0685	1.0720	-0.3%
AUD/CAD	0.9373	0.9368	0.1%

Other Markets	Close	Prior	% Δ
VIX Index	35.13	36.45	-3.6%
2-Year Treasury Yield (%)	1.605	1.540	4.2%
10-Year Treasury Yield (%)	1.848	1.777	4.0%
US 2-10-Year Spread	0.243	0.237	2.5%