

11 May 2022

## Stocks mixed overnight as markets await a big day of inflation prints

- Global markets.** Following a series of major moves over the past week, last night's session in the US was relatively benign, with the major indices closing mixed – the Nasdaq led the gains, up 1%, while the S&P 500 and Dow were ~unchanged, as was the Russell 2000. Over in Europe it was a solid session, with all major markets finishing higher in a range of 0.4% - 1.2% for the day.
- A big day of inflation reads.** The overnight moves came as investors awaiting tonight's all-important CPI print from the US – where expectations are for a headline reading of 8.1% (down on the 8.5% last month), while core CPI is also expected to tick lower to 6% against 6.5% a month ago. Elsewhere, today will also give investors a look at CPI and PPI figures out of China at 11:30am and CPI from Germany later this evening – providing a well-rounded view of the global inflationary environment over the next 24 hours.
- Yields lower.** Following a multi-week run up, yields also took a breather overnight (following yesterday's mid-day retracement) with the US 10-year closing down 4bps at 3.00% after having traded under 3% for much of the day. At the short-end, the 2-year added 2pbs to close at 2.63% - resulting in a 6bp flattening of the curve.
- In other markets,** the **USD** continued to grind higher, adding another 0.2% overnight (on the DXY), while the **AUD** was mixed against other major currencies. Elsewhere, **commodities** were broadly weak, with **gold, silver, tin** and **uranium** all lower, **WTI crude** also broke back below US\$100/bbl. And finally, the **VIX Index** declined 5% and closed at a level of ~33.
- Futures point higher.** Following the flattish lead from Wall Street, it appears local stocks will open ~unchanged when trading commences this morning, with ASX futures currently down 8 points, or ~0.1% at the time of writing. In local news, Westpac's consumer confidence reading is out at 10:30am.

| World Indices | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

### Local Markets

|                        |         |         |       |
|------------------------|---------|---------|-------|
| All Ordinaries         | 7,285.2 | 7,357.9 | -1.0% |
| ASX 200                | 7,051.2 | 7,120.7 | -1.0% |
| ASX Emerging Companies | 2,315.7 | 2,351.6 | -1.5% |

### US Markets

|              |          |          |       |
|--------------|----------|----------|-------|
| Dow Jones    | 32,160.7 | 32,245.7 | -0.3% |
| S&P500       | 4,001.1  | 3,991.2  | 0.2%  |
| Nasdaq       | 11,737.7 | 11,623.3 | 1.0%  |
| Russell 2000 | 1,761.8  | 1,762.1  | 0.0%  |

### Asian & European Markets

|                    |          |          |       |
|--------------------|----------|----------|-------|
| Shanghai Composite | 3,035.8  | 3,004.1  | 1.1%  |
| Nikkei             | 26,167.1 | 26,319.3 | -0.6% |
| Hang Seng          | 19,633.7 | 20,002.0 | -1.8% |
| FTSE 100           | 7,243.2  | 7,216.6  | 0.4%  |
| DAX 30             | 13,534.7 | 13,380.7 | 1.2%  |
| CAC 40             | 6,116.9  | 6,086.0  | 0.5%  |

| Economic Releases | Time | F'cast | Prior |
|-------------------|------|--------|-------|
|-------------------|------|--------|-------|

|                          |       |      |      |
|--------------------------|-------|------|------|
| Westpac Cons. Confidence | 10:30 |      | 95.7 |
| China Inflation          | 11:30 | 1.8% | 1.5% |
| China PPI                | 11:30 | 7.7% | 8.3% |
| German Inflation         | 16:00 | 7.4% | 7.3% |
| US Inflation             | 22:30 | 8.1% | 8.5% |
| US Core Inflation        | 22:30 | 6.0% | 6.5% |
| Fed's Bostic Speaks      | 2:00  |      |      |

| Key BW Names | Close | Prior | % Δ |
|--------------|-------|-------|-----|
|--------------|-------|-------|-----|

|                            |       |       |       |
|----------------------------|-------|-------|-------|
| BetMakers Tech. Group      | 0.490 | 0.460 | 6.5%  |
| Alderaan Resources         | 0.021 | 0.020 | 5.0%  |
| Family Zone Cyber Security | 0.320 | 0.325 | -1.5% |
| Hydralyte                  | 0.285 | 0.290 | -1.7% |

| Commodities | Close | Prior | % Δ |
|-------------|-------|-------|-----|
|-------------|-------|-------|-----|

|                        |         |         |       |
|------------------------|---------|---------|-------|
| Oil - West Texas Crude | 99.40   | 102.91  | -3.4% |
| Gold                   | 1,838.8 | 1,853.2 | -0.8% |
| Gold (Aus)             | 2,682.3 | 2,668.0 | 0.5%  |
| Silver                 | 21.32   | 21.79   | -2.2% |
| Uranium (Spot)         | 52.13   | 54.13   | -3.7% |
| Tin (Futures)          | 37,950  | 40,250  | -5.7% |

| Currency | Close | Prior | % Δ |
|----------|-------|-------|-----|
|----------|-------|-------|-----|

|           |        |        |       |
|-----------|--------|--------|-------|
| DXY Index | 103.92 | 103.76 | 0.2%  |
| AUD/USD   | 0.6939 | 0.6946 | -0.1% |
| AUD/GBP   | 0.5633 | 0.5635 | 0.0%  |
| AUD/EUR   | 0.6586 | 0.6579 | 0.1%  |
| AUD/YEN   | 90.42  | 90.64  | -0.2% |
| AUD/NZD   | 1.1034 | 1.1001 | 0.3%  |
| AUD/CAD   | 0.9035 | 0.9041 | -0.1% |

| Other Markets | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

|                            |       |       |       |
|----------------------------|-------|-------|-------|
| VIX Index                  | 32.99 | 34.75 | -5.1% |
| 2-Year Treasury Yield (%)  | 2.631 | 2.606 | 2 bp  |
| 10-Year Treasury Yield (%) | 3.001 | 3.040 | -4 bp |
| US 2-10-Year Spread        | 0.370 | 0.434 | -6 bp |

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