

9 May 2022

Futures lower following more weakness on Wall Street Friday night

- Futures guide lower.** Following yet another poor session on Wall Street on Friday night, it appears local stocks will open sharply lower when trading commences for the week – with ASX futures down 51 points, or ~0.7% at the time of writing. US futures have also opened this morning down ~0.5-1.0%.
- This week in economics.** It will be a quiet day for economic news to start the week, with two separate speeches from the Fed's Bostic being the key event of note. Over the balance of the week, major events will include: local retail sales (tomorrow), Westpac's consumer confidence, US/German/Chinese inflation data (Wed) and UK GDP, US PPI (Thu). It will also be a big week for central bankers, with 10 separate instances of FOMC members speaking, plus one from ECB President Lagarde.
- Global markets on Friday.** It was yet another soft session for equities on Friday night, as a robust US jobs print (discussed further below) did nothing to ease market concerns regarding the pace of Fed rate hikes. For the session, all US indices were lower – led by the Russell 2000 (-1.7%) and Nasdaq (-1.4%). Sector performance was scattered, with **energy** (+2.9%) once again the day's outperformer, while **materials** (-1.4%) were weakest major sub-sectors.
- In other markets, the USD** remained strong, now at a level of ~104 as measured by the DXY, **yields** were ~flat at the short-end, but continued to rise at the longer-end, with both 10-year and 30-year yields up >5bps for the day. **Commodities** were mixed – **oil** up, **gold** flat, **uranium** up, **tin** down and the **VIX Index** fell 3%.
- US jobs remain strong.** Friday saw the release of non-farm payrolls in the US, which showed: 428k jobs added in April (well up on estimates for 391k and flat MoM), while the unemployment rate of 3.6% was also flat MoM (above forecasts) and average hourly earnings of 0.3% MoM were under the 0.4% estimate.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,467.6	7,639.2	-2.2%
ASX 200	7,205.6	7,364.7	-2.2%
ASX Emerging Companies	2,450.9	2,516.0	-2.6%

US Markets

Dow Jones	32,899.4	32,998.0	-0.3%
S&P500	4,123.3	4,146.9	-0.6%
Nasdaq	12,144.7	12,317.7	-1.4%
Russell 2000	1,839.6	1,871.2	-1.7%

Asian & European Markets

Shanghai Composite	3,001.6	3,067.8	-2.2%
Nikkei	27,003.6	26,818.5	0.7%
Hang Seng	20,002.0	20,793.4	-3.8%
FTSE 100	7,387.9	7,503.3	-1.5%
DAX 30	13,674.3	13,902.5	-1.6%
CAC 40	6,258.4	6,368.4	-1.7%

Economic Releases	Time	F'cast	Prior
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Fed's Bostic Speaking x 2 Various

Key BW Names	Close	Prior	% Δ
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Hydralyte	0.290	0.290	0.0%
Selfwealth	0.250	0.250	0.0%
Family Zone Cyber Security	0.340	0.345	-1.4%
Lotus Resources	0.320	0.330	-3.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	109.77	108.26	1.4%
Gold	1,883.9	1,883.3	0.0%
Gold (Aus)	2,682.3	2,644.3	1.4%
Silver	22.34	22.36	-0.1%
Uranium (Spot)	54.88	54.50	0.7%
Tin (Futures)	40,250	40,375	-0.3%

Currency	Close	Prior	% Δ
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DXY Index	103.66	103.66	0.0%
AUD/USD	0.7057	0.7122	-0.9%
AUD/GBP	0.5722	0.5755	-0.6%
AUD/EUR	0.6696	0.6754	-0.9%
AUD/YEN	92.21	92.77	-0.6%
AUD/NZD	1.1032	1.1069	-0.3%
AUD/CAD	0.9114	0.9133	-0.2%

Other Markets	Close	Prior	% Δ
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VIX Index	30.19	31.20	-3.2%
2-Year Treasury Yield (%)	2.735	2.749	-1 bp
10-Year Treasury Yield (%)	3.128	3.070	6 bp
US 2-10-Year Spread	0.393	0.321	7 bp

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