

15 June 2022

## Stocks in a holding pattern ahead of Fed meeting tonight, futures -0.6%

- Global markets.** It was a relatively quiet overnight session for global indices, with small adjustments to all the US indices. The Nasdaq gained +0.2% - after having been up by ~2% before the European open, whilst the Dow Jones, Russell 2000 and S&P500 all lost between 0.4-0.5%. Elsewhere, European indices as a whole were down, with the CAC down -1.2% and DAX 0.9%.
- Yields keep rising.** Yields rose again overnight, albeit in less dramatic fashion when compared with recent session; with the 2-Year and 10-Year adding 6bps and 12bps respectively. The market is now fully pricing in a 75bps rate hike from the Fed tonight, along with a strong probability of another 75bps hike in July. Interestingly, the 2-Year is now up over 63bps in the last week and the 10-Year has just reached a fresh 10 year high.
- In other markets.** It was another weak day for **commodities** – seeing **WTI Crude** slip -1.9% intraday, WTI rose to highs of the Russia invasion, before the headlines announcing a 21% surtax on oil sent them into negative territory. Moreover, **gold** lost -0.7%, **Uranium** lost -0.5% and **tin** plummeted -4.2%. The **VIX** finished the day over 32 in anticipation of the FOMC announcements today. The **DX** rallied for the 5th day straight, holding above the 105 mark and hitting its highest level since December 2002.
- Futures and economic news.** The ASX is expected to open lower, with ASX futures down ~0.6% as of writing. It is a big day for economic releases, with all eyes on the Fed interest rate decision, followed by the FOMC economic projections and subsequent press conference. Westpac's Consumer Confidence index and various Chinese data releases are also due.
- Fair Work decision today.** Finally, it will also be a big day for Australian inflation expectations with the Fair Work Commission's wage decision disclosed at 10am, impacting ~2.8m people and acting as a big inflation gauge, due to the strong correlation between wages and overall inflation.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	6,881.2	7,145.2	-3.7%
ASX 200	6,686.0	6,932.0	-3.5%
ASX Emerging Companies	2,084.6	2,199.9	-5.2%

### US Markets

Dow Jones	30,364.8	30,516.7	-0.5%
S&P500	3,735.5	3,749.6	-0.4%
Nasdaq	10,828.4	10,809.2	0.2%
Russell 2000	1,707.8	1,714.6	-0.4%

### Asian & European Markets

Shanghai Composite	3,288.9	3,255.6	1.0%
Nikkei	26,629.9	26,987.4	-1.3%
Hang Seng	21,068.0	21,067.6	0.0%
FTSE 100	7,187.5	7,205.8	-0.3%
DAX 30	13,304.4	13,427.0	-0.9%
CAC 40	5,949.8	6,022.3	-1.2%

Economic Releases	Time	F'cast	Prior
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Westpac Cons. Confidence	10:30		90.4
China Data, Various	12:00		
US Retail Sales	22:30	0.2%	0.9%
Fed Rate Decision	4:00	1.50%	1.00%
FOMC Econ. Projections	4:00		
Fed Press Conference	4:30		

Key BW Names	Close	Prior	% Δ
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Hydralyte	0.170	0.175	-2.9%
Forbidden Foods	0.090	0.095	-5.3%
Frontier Energy	0.205	0.190	7.9%
Jervois Mining	0.615	0.665	-7.5%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	118.45	120.74	-1.9%
Gold	1,808.8	1,820.7	-0.7%
Gold (Aus)	2,629.4	2,626.4	0.1%
Silver	21.05	21.11	-0.3%
Uranium (Spot)	48.75	49.00	-0.5%
Tin (Futures)	32,895	34,325	-4.2%

Currency	Close	Prior	% Δ
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DX Index	105.48	105.20	0.3%
AUD/USD	0.6879	0.6932	-0.8%
AUD/GBP	0.5731	0.5714	0.3%
AUD/EUR	0.6602	0.6659	-0.9%
AUD/YEN	93.15	93.16	0.0%
AUD/NZD	1.1060	1.1062	0.0%
AUD/CAD	0.8909	0.8935	-0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	32.69	34.02	-3.9%
2-Year Treasury Yield (%)	3.423	3.358	6 bp
10-Year Treasury Yield (%)	3.480	3.364	12 bp
US 2-10-Year Spread	0.057	0.006	5 bp

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