

29 JUNE 2022

Dow closes nearly 500 points lower due to weak economic data

- US markets closed lower.** S&P 500 sank and the tech-heavy Nasdaq 100 shed over 3%. Month and quarter-end portfolio rebalancing may also be impacting trading flows. Evaporating US consumer confidence amid a surge in the cost of living spread jitters through the US session, pushing a dollar gauge up the most in more than a week and leaving Treasury yields lower. Those concerns overshadowed China's surprise move Tuesday to reduce quarantine times for inbound travellers. The step had lifted markets on hopes of a shift away from a strategy of stamping out Covid that comes with great economic cost via repeated lockdowns. Investors appear sceptical that the Federal Reserve can avoid triggering an economic downturn amid sharp interest-rate hikes to clamp down on price pressures.
- Futures to open lower.** Australian shares are set to drop as Wall Street sold off again and the S&P 500 looked set for its worst start to the year in more than half a century, with declines of more than 19 per cent so far. ASX futures were down 79 points or 1.2 per cent to 6597 points near 5am AEST.
- The ASX was higher on Tuesday.** The S&P/ASX 200 closed Tuesday's session up 0.86 per cent, or 57.6 points, to 6763.3 buoyed by rebalancing flows and energy stocks. The energy sector led the market, gaining 3.62 per cent with heavy hitter Woodside rising 4.34 per cent to \$32.7. Also gaining: Beach Energy up almost 7 per cent, New Hope Coal up 6.6 per cent and Santos adding 2.7 per cent. Materials and Utilities also gained more than 3 per cent while consumer discretionary dragged, falling 1.34 per cent with Wesfarmers declining 2.3 per cent to \$43.14.
- In other company news.** Liontown Resources has executed a binding offtake agreement and funding facility with global car maker Ford Motor Company. The agreement is for the supply of up to 150,000 dry metric tonnes (dmt) a year of spodumene concentrate from Liontown's flagship Kathleen Valley project in Western Australia for five years. The agreement represents Liontown's third and final foundational offtake required to underpin the development of Kathleen Valley. Supply to Ford is expected to commence in 2024, with volumes of 75,000 dmt of spodumene concentrate in year one of operations, increasing to 125,000 dmt in year two and 150,000 dmt for years three to five of the initial five-year term. Under a separate funding facility, a Ford subsidiary will provide a \$300 million debt facility to Liontown, with the proceeds to be used towards partially funding the development costs of Kathleen Valley.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	6,953.4	6,893.6	0.9%
ASX 200	6,763.6	6,706.0	0.9%
ASX Emerging Companies	2,022.6	2,023.9	-0.1%

US Markets

Dow Jones	30,947.0	31,438.3	-1.6%
S&P500	3,900.1	3,911.7	-0.3%
Nasdaq	111,181.5	11,524.6	864.7%

Asian & European Markets

Shanghai Composite	3,409.2	3,379.2	0.9%
Nikkei	27,049.5	26,871.3	0.7%
Hang Seng	22,419.0	22,229.4	0.9%
FTSE 100	7,323.3	7,258.3	0.9%
DAX 30	13,231.8	13,186.1	0.3%
CAC 40	6,086.0	6,047.3	0.6%

Economic Releases	Time	F'cast	Prior
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AU Retail Sales MoM	11:30	0.40%	0.90%
US GDP Growth Rate QoQ	22:30	-1.50%	6.90%
US Fed Chair Powell Speech	23:00		

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.205	0.180	13.9%
Alderman Resources	0.013	0.015	-13.3%
Lotus Resources	0.230	0.230	0.0%
Elementos	0.460	0.470	-2.1%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	111.90	110.09	1.6%
Gold	1,820.8	1,822.8	-0.1%
Gold (Aus)	2,634.8	2,632.2	0.1%
Silver	20.8	21.2	-1.9%
Copper	3.8399	3.7757	1.7%
Nickel	10.6231	10.4425	1.7%
Aluminium	1.2355	1.2222	1.1%
Zinc	1.5827	1.5856	-0.2%
Lead	0.8884	0.8859	0.3%
Uranium	50.10	48.82	2.6%

Currency	Close	Prior	% Δ
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AUD/USD	0.6910	0.6921	-0.2%
AUD/GBP	0.5668	0.5642	0.5%
AUD/EUR	0.6563	0.6542	0.3%
AUD/JPY	93.99	93.68	0.3%
AUD/NZD	1.1072	1.0997	0.7%