

3 June 2022

Tech and commodities rally sharply overnight, ASX futures up 1.1%

- **Global markets.** It was an extremely strong session for US equities overnight, as softening economic data alleviated investor concerns of an ultra-bullish Fed tightening cycle, somewhat. For the session; all major indices were up, paced by the Nasdaq – up 2.7% - and small cap Russell 2000 (+2.3%). Other indices were also strong, the S&P 500 added 1.8%, Dow 1.3% and all major European markets closed higher by 0% - 1.3% also.
- **Softening US jobs data.** The key economic release last night was an ADP jobs report; which showed the pace of private sector job growth for May slowed to just 128k – well down on a downwardly-revised 202k last month and comfortably below forecasts for 300k jobs gains over the month. This weak read on the jobs market came after ISM Manufacturing jobs fell into contraction territory yesterday and ahead of tonight's all-important Non-Farm payrolls report (out at 10:30pm local time).
- **Commodities strong.** It was very a robust session for most commodities, as a falling **USD** (-0.8%) helped with sentiment. For the day, **uranium** added \$1/lb, while key ETFs were up ~6%, **tin** prices rose 1%, **oil** was up 2%, **copper** 5% and even **gold** and **silver** rallied – adding 1% and 2% respectively.
- **In other markets,** yield were relatively subdued given the moves seen in equity and commodities markets – with the 2-year off just 3bps and the 10-year ~flat. Elsewhere, the **VIX Index** fell 4% to end at a level of 24.72; well off its highs of the recent market sell-off.
- **Future 1.1% higher.** Unsurprisingly, given the big overnight session for both commodities and tech, it appears local stocks will open sharply higher when trading commences this morning – with ASX futures currently up by 77 points, or ~1.1% In economics, today will see plenty of action, including PMIs from various regions, local lending data, US non-farm payrolls, US ISM non-manufacturing PMIs and a speech from key Fed member Lael Brainard.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,400.8	7,462.9	-0.8%
ASX 200	7,175.9	7,234.0	-0.8%
ASX Emerging Companies	2,340.7	2,358.0	-0.7%

<u>US Markets</u>			
Dow Jones	33,248.3	32,813.2	1.3%
S&P500	4,176.8	4,101.2	1.8%
Nasdaq	12,316.9	11,994.5	2.7%
Russell 2000	1,897.7	1,854.8	2.3%

<u>Asian & European Markets</u>			
Shanghai Composite	3,195.5	3,182.2	0.4%
Nikkei	27,413.9	27,457.9	-0.2%
Hang Seng	21,082.1	21,294.9	-1.0%
FTSE 100	7,533.0	7,533.0	0.0%
DAX 30	14,485.2	14,340.5	1.0%
CAC 40	6,500.4	6,418.9	1.3%

Economic Releases	Time	F'cast	Prior
S&PG Services PMI	09:00		56.1
Home Lending (MoM)	11:30	-1.0%	0.9%
Investment Lending (MoM)	11:30		2.9%
Global PMIs	Various		
US Non-Farm Payrolls	22:30	325k	428k
US Unemployment Rate	22:30	3.5%	3.6%
US ISM Non-Manufacturing PMI	00:00	56.4	57.1
Fed's Brainard Speaks	00:30		

Key BW Names	Close	Prior	% Δ
LiveHire	0.285	0.280	1.8%
Jervois Mining	0.755	0.750	0.7%
Forbidden Foods	0.120	0.120	0.0%
Lotus Resources	0.260	0.260	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	116.87	114.52	2.1%
Gold	1,869.4	1,846.8	1.2%
Gold (Aus)	2,572.1	2,574.3	-0.1%
Silver	22.33	21.82	2.3%
Uranium (Spot)	49.50	48.50	2.1%
Tin (Futures)	34,975	34,600	1.1%

Currency	Close	Prior	% Δ
DXY Index	101.75	102.54	-0.8%
AUD/USD	0.7268	0.7174	1.3%
AUD/GBP	0.5777	0.5745	0.6%
AUD/EUR	0.6760	0.6734	0.4%
AUD/YEN	94.36	93.36	1.1%
AUD/NZD	1.1079	1.1064	0.1%
AUD/CAD	0.9136	0.9082	0.6%

Other Markets	Close	Prior	% Δ
VIX Index	24.72	25.69	-3.8%
2-Year Treasury Yield (%)	2.630	2.662	-3 bp
10-Year Treasury Yield (%)	2.912	2.914	0 bp
US 2-10-Year Spread	0.282	0.252	3 bp

Disclosure: BW Equities advise that they and persons associated with them may have an interest in the above securities and that they may earn brokerage, commissions, fees and other benefits and advantages in connection with the making of a recommendation or a dealing by a client in these securities or by seeking to do business with companies covered in this report. Investors should consider investment risks and conflicts highlighted at the end of this report and not only consider this report in making an investment decision.