

ASX to slip on weak European session amid recession concerns.

- Global Markets.** It was a solid session for US Indices overnight, as they returned to trading following the 4th July national holiday. The Dow Jones (-0.4%) was the only index that lost ground, whilst the Nasdaq was the strongest performer, adding +1.7% - being down over -2% intraday, it ripped higher in the last hour on some doveish sentiment. Despite the S&P, Russell 2000 and Nasdaq all finishing in the green, only 3 of the 11 sectors of the S&P saw gains. Elsewhere, Europe has a very weak day, as all the indices lost over -2.7% following increased concerns of an energy crisis.
- In other markets.** Commodities as a whole has a weak session – as fears of recession increased. This was evident in **gold**, which ticked below \$1800 for the first time since October 2021. **Copper** too reached its lowest since 2020, and **WTI Crude** slipped back below \$100/bbl.
- Euro reaches parity.** As European investors came to terms with a possible energy crisis, the Euro slipped to its lowest level against the USD in 2 decades. The EURO/USD is almost at parity, with the rate being ~1.025 as of writing.
- Futures guide lower.** Following the poor results and weak sentiment in Europe, ASX are expected to slide, being down -68 points as of writing. Indeed, some important economic news is being released overnight, with some key information including FOMC Minutes, US Mortgage Applications and numbers PMI results.
- Yields.** The fixed income market had another roller-coaster day, with massive intraday swings. The 2-year lost 1bps whilst the 10-year lost 9bps, resulting in the 2-10-Year curve inverted for the 3rd time this year. Indeed, the 2-5-Year curve also inverted for the first time since the 2020 lockdowns.

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

Local Markets			
---------------	--	--	--

All Ordinaries	6,818.1	6,796.9	0.3%
ASX 200	6,629.3	6,612.6	0.3%
ASX Emerging Companies	2,046.0	2,007.2	1.9%

US Markets			
------------	--	--	--

Dow Jones	30,967.8	31,097.3	-0.4%
S&P500	3,831.4	3,825.3	0.2%
Nasdaq	11,322.2	11,127.9	1.7%
Russell 2000	1,741.3	1,727.8	0.8%

Asian & European Markets			
--------------------------	--	--	--

Shanghai Composite	3,404.0	3,405.4	0.0%
Nikkei	26,423.4	26,153.8	1.0%
Hang Seng	21,853.1	21,830.4	0.1%
FTSE 100	7,025.5	7,232.7	-2.9%
DAX 30	12,401.2	12,773.4	-2.9%
CAC 40	5,795.0	5,954.7	-2.7%

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

German Global Construction PMI	17:30		45.4
Europe Retail Sales YoY	18:30	-0.4%	3.9%
US MBA Mortgage Applications	21:00		0.7%
US Global Services PMI (Jun)	22:30	51.2	53.6
US ISM Non-Manufacturing PMI	0:00	54.3	55.9
US FOMC Minutes	4:00		

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

Little Green Pharma	0.320	0.260	23.1%
Alderaan Resources	0.012	0.011	9.1%
Lotus Resources	0.235	0.225	4.4%
Paladin Energy	0.595	0.570	4.4%

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

Oil - West Texas Crude	100.60	99.60	1.0%
Gold	1,764.9	1,808.00	-2.4%
Gold (Aus)	2,603.0	2,631.40	-1.1%
Silver	19.17	19.60	-2.2%
Uranium (Spot)	51.25	51.25	0.0%
Tin (Futures)	27,193	26,996	0.7%

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

DX Index	106.51	105.14	1.3%
AUD/USD	0.6795	0.6877	-1.2%
AUD/GBP	0.5684	0.5675	0.2%
AUD/EUR	0.6620	0.6590	0.4%
AUD/YEN	92.08	93.42	-1.4%
AUD/NZD	1.1016	1.1064	-0.4%
AUD/CAD	0.8854	0.8837	0.2%

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

VIX Index	27.54	26.70	3.1%
2-Year Treasury Yield (%)	2.829	2.837	-0.3%
10-Year Treasury Yield (%)	2.805	2.894	-3.1%

