

6 July 2022

ASX to slip on weak European session amid recession concerns.

- 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.

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World Indices	Close	Prior	% ∆
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	% ∆
Little Green Pharma	0.320	0.260	23.1%
Alderan 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
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Oil - West Texas Crude	100.60	99.60	1.0%
Gold	1,764.9	1,808.00	-2.4%
Gold Gold (Aus)	1,764.9 2,603.0	1,808.00 2,631.40	-2.4% -1.1%
Gold Gold (Aus) Silver	1,764.9 2,603.0 19.17	1,808.00 2,631.40 19.60	-2.4% -1.1% -2.2%
Gold Gold (Aus) Silver Uranium (Spot)	1,764.9 2,603.0 19.17 51.25	1,808.00 2,631.40 19.60 51.25	-2.4% -1.1% -2.2% 0.0%
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Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency	1,764.9 2,603.0 19.17 51.25 27,193	1,808.00 2,631.40 19.60 51.25 26,996	-2.4% -1.1% -2.2% 0.0% 0.7%
Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index	1,764.9 2,603.0 19.17 51.25 27,193 Close	1,808.00 2,631.40 19.60 51.25 26,996 Prior	-2.4% -1.1% -2.2% 0.0% 0.7% Δ
Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD	1,764.9 2,603.0 19.17 51.25 27,193 Close	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877	-2.4% -1.1% -2.2% 0.0% 0.7%
Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP	1,764.9 2,603.0 19.17 51.25 27,193 Close 106.51 0.6795 0.5684	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877 0.5675	-2.4% -1.1% -2.2% 0.0% 0.7% % Δ 1.3% -1.2% 0.2%
Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR	1,764.9 2,603.0 19.17 51.25 27,193 Close 106.51 0.6795 0.5684 0.6620	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877 0.5675 0.6590	-2.4% -1.1% -2.2% 0.0% 0.7% % Δ 1.3% -1.2% 0.2% 0.4%
Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN	1,764.9 2,603.0 19.17 51.25 27,193 Close 106.51 0.6795 0.5684 0.6620 92.08	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877 0.5675 0.6590 93.42	-2.4% -1.1% -2.2% 0.0% 0.7% % Δ 1.3% -1.2% 0.2% 0.4% -1.4%
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Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/NZD AUD/CAD	1,764.9 2,603.0 19.17 51.25 27,193 Close 106.51 0.6795 0.5684 0.6620 92.08 1.1016 0.8854	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877 0.5675 0.6590 93.42 1.1064 0.8837	-2.4% -1.1% -2.2% 0.0% 0.7% % Δ 1.3% -1.2% 0.2% 0.4% -1.4% 0.2%
Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/NZD AUD/CAD	1,764.9 2,603.0 19.17 51.25 27,193 Close 106.51 0.6795 0.5684 0.6620 92.08 1.1016	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877 0.5675 0.6590 93.42 1.1064	-2.4% -1.1% -2.2% 0.0% 0.7% % Δ 1.3% -1.2% 0.2% 0.4% -1.4% -0.4%
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Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/NZD AUD/CAD Other Markets	1,764.9 2,603.0 19.17 51.25 27,193 Close 106.51 0.6795 0.5684 0.6620 92.08 1.1016 0.8854 Close	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877 0.5675 0.6590 93.42 1.1064 0.8837	-2.4% -1.1% -2.2% 0.0% 0.7% * Δ 1.3% -1.2% 0.2% 0.4% -1.4% 0.2% % Δ
Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Currency DXY Index AUD/USD AUD/GBP AUD/EUR AUD/YEN AUD/YEN AUD/NZD AUD/CAD Other Markets VIX Index	1,764.9 2,603.0 19.17 51.25 27,193 Close 106.51 0.6795 0.5684 0.6620 92.08 1.1016 0.8854 Close	1,808.00 2,631.40 19.60 51.25 26,996 Prior 105.14 0.6877 0.5675 0.6590 93.42 1.1064 0.8837 Prior	-2.4% -1.1% -2.2% 0.0% 0.7% * \Delta \Delta 1.3% -1.2% 0.2% 0.4% -1.4% 0.2% * \Delta \Delta 3.1%

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