

6 June 2022

Stocks to open lower following another week session in the US on Fri

- **Futures guide lower.** Following another poor Friday night for global markets, it appears local stocks will open the week lower when trading commences this morning – with ASX futures currently off 32 points, or ~0.5% at the time of writing.
- **This week in economics.** It will be a quiet start to the week, with just Chinese PMIs out around midday today, while over the balance of the week, key data includes: the RBA's rate decision tomorrow (+25bps forecast), an ECB rate decision (Thu) and Chinese and US inflation data (Fri) – with the latter data point being very closely watched, and expected to show a slowing in the rate of YoY core inflation, from 6.2% las tmonth to 5.9%.
- **Global markets on Friday.** Friday saw another weak session for US markets, as all the major indices slipped. The Nasdaq was the biggest loser for the day, losing -2.5%, followed by the S&P500 (-1.6%), Dow Jones (-1.0%) and the Russell 2000 (-0.8%). For the week, the S&P lost the most ground, whilst only the **Industrials** and **Energy** sectors managed to gain value. Elsewhere, there were numerous public holidays globally, resulting in a quiet session. Notably, the Nikkei added +1.3%.
- **Yields keep rising.** Yields at both ends of the curve increased again on Friday night, with the 2-Year adding 5bps and the 10-Year increased 3bps. The yield curve now sits at 26bps.
- **In other markets.** **WTI Crude** (+3.3%) crossed back over \$120/bbl for the first time in almost 3 months, as OPEC+'s promise to increase production was seen as merely bringing September's planned increase forward to July and August. **Gold** and **Silver** both lost ground for the session, despite Gold seeing strong gains throughout the week. **Uranium** added +0.5% and the **USD** added +0.4% against a basket of currencies. Finally, the **VIX** (+0.3%) was only marginally changed.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,474.2	7,400.8	1.0%
ASX 200	7,238.8	7,175.9	0.9%
ASX Emerging Companies	2,365.0	2,340.7	1.0%

<u>US Markets</u>			
Dow Jones	32,899.7	33,248.3	-1.0%
S&P500	4,108.5	4,176.8	-1.6%
Nasdaq	12,012.7	12,316.9	-2.5%
Russell 2000	1,883.1	1,897.7	-0.8%

<u>Asian & European Markets</u>			
Shanghai Composite	3,195.5	3,195.5	0.0%
Nikkei	27,761.6	27,413.9	1.3%
Hang Seng	21,082.1	21,082.1	0.0%
FTSE 100	7,533.0	7,533.0	0.0%
DAX 30	14,460.1	14,485.2	-0.2%
CAC 40	6,485.3	6,500.4	-0.2%

Economic Releases	Time	F'cast	Prior
China Caixin Composite PMI	11:45		37.2
China Caixin Services PMI	11:45		36.2

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.285	0.260	9.6%
Selfwealth	0.170	0.160	6.3%
Family Zone Cyber Security	0.380	0.365	4.1%
Jervois Mining	0.780	0.755	3.3%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	120.72	116.87	3.3%
Gold	1,850.3	1,869.4	-1.0%
Gold (Aus)	2,567.8	2,572.1	-0.2%
Silver	21.90	22.33	-1.9%
Uranium (Spot)	49.75	49.50	0.5%
Tin (Futures)	34,975	34,975	0.0%

Currency	Close	Prior	% Δ
DXY Index	102.17	101.75	0.4%
AUD/USD	0.7206	0.7268	-0.9%
AUD/GBP	0.5769	0.5777	-0.1%
AUD/EUR	0.6723	0.6760	-0.5%
AUD/YEN	94.34	94.36	0.0%
AUD/NZD	1.1078	1.1079	0.0%
AUD/CAD	0.9074	0.9136	-0.7%

Other Markets	Close	Prior	% Δ
VIX Index	24.79	24.72	0.3%
2-Year Treasury Yield (%)	2.683	2.630	5 bp
10-Year Treasury Yield (%)	2.940	2.912	3 bp
US 2-10-Year Spread	0.257	0.282	-2 bp