

7 June 2022

## US stocks higher overnight, futures ~flat ahead of RBA decision today

- **Futures point higher.** Despite the solid lead from Wall Street overnight, it appears local markets will open ~flat when trading commences this morning, with futures currently off 5bps at the time of writing.
- **RBA on deck.** In economic news, today's big event will of course be the RBA's rate decision for June – where expectations are for a 25bp hike to 0.6%, while some commentators are still calling for 40bps, to see the rate returned to a 25bp increment.
- **Global markets.** US stocks moved modestly higher overnight, with all major indices in the green – led by the Nasdaq (+0.4%) and Russell 2000 (+0.4%), while the S&P was +0.3% and Dow ~flat. However, it was a decidedly stronger night over in Europe, where all markets added >1% for the session, with the DAX closing 1.3% higher.
- **From a sector perspective,** 8 of the S&P 500's 11 sub-sectors closed green – led by **materials** (+1%), **cons discretionary** (+1%) and **communication services**, while **real estate** (-0.3%) and **energy** (-0.1%) were laggards – the latter as the price of **WTI crude** gave back ~2%.
- **Yields move sharply higher.** In fixed income, there were big moves witnessed overnight, particularly at the long-end of the curve – with the 10-year Treasury adding 11bps and moving comfortably back through 3% (3.05% close), while the 30-year also added 11bp and closed just off recent highs at 3.20%. The moves followed Friday night's strong payrolls report in the US, continued inflation globally (especially in Europe where it continues to accelerate) and a spike in **nat gas** prices in the US (+9% for the day).
- **In other markets,** the **USD** was higher against a basket of currencies (+0.2%), the **AUD** was mixed (-0.2% vs the USD), **commodities** were also mixed – with **oil** soft, **gold** lower, while **silver** finished higher, **tin** was flat and **spot uranium** continued its recent rise – this time adding 2% to finish the day at a price of \$50.75/lb and up ~10% off its recent lows.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,433.1	7,474.2	-0.5%
ASX 200	7,206.3	7,238.8	-0.4%
ASX Emerging Companies	2,330.1	2,365.0	-1.5%

<u>US Markets</u>			
Dow Jones	32,915.8	32,899.7	0.0%
S&P500	4,121.4	4,108.5	0.3%
Nasdaq	12,061.4	12,012.7	0.4%
Russell 2000	1,889.9	1,883.1	0.4%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,236.4	3,195.5	1.3%
Nikkei	27,915.9	27,761.6	0.6%
Hang Seng	21,653.9	21,082.1	2.7%
FTSE 100	7,608.2	7,533.0	1.0%
DAX 30	14,653.8	14,460.1	1.3%
CAC 40	6,548.8	6,485.3	1.0%

Economic Releases	Time	F'cast	Prior
Building Permits	11:30	-2.4%	-19.2%
RBA Rate Decision	14:30	0.60%	0.35%

Key BW Names	Close	Prior	% Δ
LiveHire	0.280	0.270	3.7%
Selfwealth	0.175	0.170	2.9%
Elementos	0.610	0.600	1.7%
Lotus Resources	0.280	0.280	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	118.91	120.72	-1.5%
Gold	1,841.3	1,850.3	-0.5%
Gold (Aus)	2,559.9	2,567.8	-0.3%
Silver	22.06	21.90	0.7%
Uranium (Spot)	50.75	49.75	2.0%
Tin (Futures)	34,975	34,975	0.0%

Currency	Close	Prior	% Δ
DXY Index	102.41	102.17	0.2%
AUD/USD	0.7193	0.7206	-0.2%
AUD/GBP	0.5741	0.5769	-0.5%
AUD/EUR	0.6727	0.6723	0.1%
AUD/YEN	94.91	94.34	0.6%
AUD/NZD	1.1088	1.1078	0.1%
AUD/CAD	0.9049	0.9074	-0.3%

Other Markets	Close	Prior	% Δ
VIX Index	25.07	24.79	1.1%
2-Year Treasury Yield (%)	2.720	2.683	4 bp
10-Year Treasury Yield (%)	3.049	2.940	11 bp
US 2-10-Year Spread	0.329	0.257	7 bp