

1 August 2022

## Futures point higher following another strong US lead, PMIs out today

- Futures point higher.** Following the optimism in the US on Friday, the ASX is expected to rise, with futures higher by ~0.7% as of writing.
- PMI day today.** Being the first business day of a new month, today will see PMIs released from a host of regions globally, including Australia (AiG and S&PG, prior readings were 54.0 and 56.2 respectively), all across Asia and Europe – key amongst which include Spain, Italy, France and Germany – and of course the USA, with ISM manufacturing PMIs out early tomorrow morning – with expectations looking for a reading of 52.0, down from 53.0 last month.
- This week in economics.** Another busy week in economics awaits, both locally and internationally. Domestically, notable events include: the RBA Interest rate decision (Tues), Balance of Trade (Thur) and RBA statement on monetary policy (Fri). Internationally, the NZ unemployment rate (Tues), the UK BoE interest rate decision (Thur), Canada's balance of trade (Thur) and the US unemployment rate (Fri) will be released.
- Global markets on Friday night.** Friday saw another strong day for US equities, as the market reacted with positivity to more earnings reports. It was the Nasdaq that lead the charge, adding +1.9%, followed by the S&P (+1.4%), Dow (+1.0%) and then the Russell 2000 (+0.7%). Elsewhere, Asian indices were down overall, whereas European indices ticked upwards.
- In other markets, WTI Crude** added +2.3%, trading at \$98.6 on Friday, remaining below \$100/bbl. **Gold** remained ~flat and **silver** slipped half a percent. **Tin** moved marginally whilst **uranium** stayed put. In the currency market, the USD weakened against a basket of goods, rendering the **DXY** to fall -0.5%. The **VIX** also fell -4.5%, finishing the session at 21.33 – its lowest in over 3 months. In the fixed income sector, the 2-Year and 10-Year moved in opposite directions, further flattening the 2-10-Year spread to -0.233.

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

Local Markets			
All Ordinaries	7,173.8	7,115.9	0.8%
ASX 200	6,945.2	6,889.7	0.8%
ASX Emerging Companies	2,243.3	2,221.0	1.0%

US Markets			
Dow Jones	32,845.1	32,529.6	1.0%
S&P500	4,130.3	4,072.4	1.4%
Nasdaq	12,390.7	12,162.6	1.9%
Russell 2000	1,885.2	1,873.0	0.7%

Asian & European Markets			
Shanghai Composite	3,253.3	3,282.6	-0.9%
Nikkei	27,801.6	27,815.5	0.0%
Hang Seng	20,156.5	20,622.7	-2.3%
FTSE 100	7,423.4	7,501.6	-1.0%
DAX 30	13,484.1	13,282.1	1.5%
CAC 40	6,448.5	6,339.2	1.7%

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

AiG Manufacturing PMI	8:30		54.0
S&PG Manufacturing PMI	9:00		56.2
Global PMIs	Various		
ISM Manufacturing PMI	0:00	52.0	53.0

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

Forbidden Foods	0.115	0.100	15.0%
Elementos	0.415	0.405	2.5%
Frontier Energy	0.248	0.245	1.0%
Jervois Mining	0.400	0.400	0.0%

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

Oil - West Texas Crude	98.62	96.42	2.3%
Gold	1,766.3	1,766.9	0.0%
Gold (Aus)	2,528.9	2,525.4	0.1%
Silver	20.25	20.36	-0.5%
Uranium (Spot)	48.75	48.75	0.0%
Tin (Futures)	24,275	24,250	0.1%

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

DXY Index	105.83	106.35	-0.5%
AUD/USD	0.6984	0.6997	-0.2%
AUD/GBP	0.5736	0.5749	-0.2%
AUD/EUR	0.6830	0.6860	-0.4%
AUD/YEN	93.03	94.13	-1.2%
AUD/NZD	1.1111	1.1112	0.0%
AUD/CAD	0.8942	0.8963	-0.2%

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

VIX Index	21.33	22.33	-4.5%
2-Year Treasury Yield (%)	2.884	2.863	2 bp
10-Year Treasury Yield (%)	2.651	2.675	-2 bp
US 2-10-Year Spread	-0.233	-0.188	-4 bp