

18 July 2022

ASX to open ~0.9% higher following strong Friday night on Wall Street

- Futures point higher.** Following an extremely strong lead from Wall Street on Friday night, it appears local stocks will start the week on a positive note – with ASX futures currently up by 57 points, or ~0.9% at the time of writing. There will be no major economic news released today.
- This week in economics.** Over the balance of the week, major local news will include: RBA Minutes and Westpac Leading Index (Tue) and PMIs (Fri), while internationally UK, Eurozone and Canadian CPI figures are due, as is UK employment and ECB and BOJ rate decisions. Global PMIs will also be released in the back half of the week, while the Fed is in a blackout period ahead of next weeks' FOMC meeting.
- Global markets on Friday night.** It was an extremely strong session for US stocks on Friday night, as earnings from **Wells Fargo** and **Citigroup** were both positively received and supported broader sentiment, following lacklustre bank earnings earlier in the week. For the day, the **Dow** led the charge – up 2.1% - followed by the **S&P 500** (+1.9%) and **Nasdaq** (+1.8%), while the **Russell 2000** rose by 2.2%. In Europe, it was a similarly strong session, with all major markets up in a range of ~2-3%.
- Earnings news.** As per above, the major news on Friday were positive results from **Wells Fargo** and **Citigroup**, which rose 6% and 13% respectively. The former noted profits had declined by 48% YoY and largely saw gains as a result of low expectations leading in. While the latter was the only one of four major banks to have exceeded analyst expectations thus far – also noting that it had benefitted from a rising interest rate environment.
- In other markets,** the **USD** continued to come off its mid-week highs, down 0.5% for the day, although still at a level close to 108. The dollar weakness did little for **commodities**, with **oil**, **gold**, **uranium** and **tin** prices all lower (amongst a slew of metals to also be lower). In fixed income news, **yields** were mixed, while the 2-10 year yield curve inverted further (now at -20bps). And finally, the **VIX Index** fell 8% on account of the day's equity market strength.

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	6,798.0	6,848.6	-0.7%
ASX 200	6,605.6	6,650.6	-0.7%
ASX Emerging Companies	2,020.7	2,034.7	-0.7%

US Markets			
Dow Jones	31,288.3	30,630.2	2.1%
S&P500	3,863.2	3,790.4	1.9%
Nasdaq	11,452.4	11,251.2	1.8%
Russell 2000	1,744.4	1,707.5	2.2%

Asian & European Markets			
Shanghai Composite	3,228.1	3,281.7	-1.6%
Nikkei	26,788.5	26,643.4	0.5%
Hang Seng	20,297.7	20,751.2	-2.2%
FTSE 100	7,159.0	7,039.8	1.7%
DAX 30	12,864.7	12,519.7	2.8%
CAC 40	6,036.0	5,915.4	2.0%

Economic Releases	Time	F'cast	Prior
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No major economic news today

Key BW Names	Close	Prior	% Δ
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Elementos	0.460	0.435	5.7%
Lotus Resources	0.205	0.200	2.5%
BetMakers Tech. Group	0.425	0.415	2.4%
Hydralyte	0.135	0.133	1.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	97.45	97.78	-0.3%
Gold	1,708.4	1,715.4	-0.4%
Gold (Aus)	2,512.4	2,537.9	-1.0%
Silver	18.71	18.43	1.5%
Uranium (Spot)	45.75	46.00	-0.5%
Tin (Futures)	23,325	24,850	-6.1%

Currency	Close	Prior	% Δ
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DXY Index	107.99	108.49	-0.5%
AUD/USD	0.6800	0.6759	0.6%
AUD/GBP	0.5728	0.5705	0.4%
AUD/EUR	0.6744	0.6735	0.1%
AUD/YEN	94.15	93.88	0.3%
AUD/NZD	1.1026	1.1009	0.2%
AUD/CAD	0.8852	0.8856	0.0%

Other Markets	Close	Prior	% Δ
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VIX Index	24.23	26.40	-8.2%
2-Year Treasury Yield (%)	3.128	3.116	1 bp
10-Year Treasury Yield (%)	2.919	2.947	-3 bp
US 2-10-Year Spread	-0.209	-0.169	-4 bp