

12 August 2022

Markets take a breather overnight, following strong run, futures -0.3%

- **Global markets.** It was a mixed session for equities overnight – with the Dow Jones and S&P 500 more-or-less flat, while the tech-heavy Nasdaq had a poor day (off 0.6%) as names including **Amazon** (-1%), **Nvidia** (-1%), **Alphabet** and **Tesla** (-3%) weighed – the latter of which was dragged down on news CEO Elon Musk had sold another ~\$6bn worth of stock.
- **In economics news,** the major overnight release was US PPI – which like CPI in the session prior – surprised to the downside, showing a 0.5% MoM decline, being well below forecasts for a 0.2% rise and considerably under last month's print of 1.0%. Elsewhere, weekly jobless claims (262k) were in-line with expectations and modestly up on last week (248k).
- **In earnings news,** shares of **Disney** added ~5% following its better-than-expected results, on both earnings and subscriber growth. The company also said it would be rising prices for its Disney+ service.
- **Yield curve steepens.** Following a multi-month process of deeper and deeper inversions in the US yield curve, last night saw the 2-10-year spread steepen quite substantially, with the 2-year yield falling 2bps and the 10-year rising 10bps – resulting in a ~12 contraction in the spread – though it still remains heavily inverted at ~30bps.
- **In other markets,** the price of **oil** rose ~3% for the day, while other **commodities** were mostly weak – including a 2% fall in the price of **tin**, and modest declines in **gold** and **silver**. Elsewhere, the **USD** was essentially flat against a basket of currencies, while the **AUD** continued to grind higher, ending the day above 71c. And finally, the **VIX** rose 2% to close slightly above its long-run average of 20.
- **Futures lower.** Following the mixed lead from Wall Street, it appears local stocks will open lower when trading commences this morning – with ASX futures currently down by 20 points, or ~0.3% at the time of writing.

| World Indices | Close | Prior | % Δ |
|------------------------|---------|---------|------|
| <u>Local Markets</u> | | | |
| All Ordinaries | 7,325.4 | 7,238.7 | 1.2% |
| ASX 200 | 7,071.0 | 6,992.7 | 1.1% |
| ASX Emerging Companies | 2,325.9 | 2,298.3 | 1.2% |

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|-------------------|----------|----------|-------|
| <u>US Markets</u> | | | |
| Dow Jones | 33,336.7 | 33,309.5 | 0.1% |
| S&P500 | 4,207.3 | 4,210.2 | -0.1% |
| Nasdaq | 12,779.9 | 12,854.8 | -0.6% |
| Russell 2000 | 1,975.3 | 1,969.3 | 0.3% |

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|-------------------------------------|----------|----------|-------|
| <u>Asian & European Markets</u> | | | |
| Shanghai Composite | 3,281.7 | 3,230.0 | 1.6% |
| Nikkei | 27,819.3 | 27,819.3 | 0.0% |
| Hang Seng | 20,082.4 | 19,610.8 | 2.4% |
| FTSE 100 | 7,465.9 | 7,507.1 | -0.5% |
| DAX 30 | 13,694.5 | 13,700.9 | 0.0% |
| CAC 40 | 6,544.7 | 6,523.4 | 0.3% |

| Economic Releases | Time | F'cast | Prior |
|--------------------------|-------|--------|-------|
| UK GDP (YoY) | 16:00 | 1.2% | 3.5% |
| Michigan Cons. Sentiment | 00:00 | 52.5 | 51.5 |

| Key BW Names | Close | Prior | % Δ |
|----------------------------|-------|-------|------|
| BetMakers Tech. Group | 0.480 | 0.450 | 6.7% |
| Selfwealth | 0.190 | 0.185 | 2.7% |
| Jervois Mining | 0.460 | 0.450 | 2.2% |
| Family Zone Cyber Security | 0.415 | 0.410 | 1.2% |

| Commodities | Close | Prior | % Δ |
|------------------------|---------|---------|-------|
| Oil - West Texas Crude | 94.02 | 91.46 | 2.8% |
| Gold | 1,788.6 | 1,791.6 | -0.2% |
| Gold (Aus) | 2,518.4 | 2,530.5 | -0.5% |
| Silver | 20.29 | 20.57 | -1.4% |
| Uranium (Spot) | 47.75 | 47.75 | 0.0% |
| Tin (Futures) | 23,705 | 24,175 | -1.9% |

| Currency | Close | Prior | % Δ |
|-----------|--------|--------|-------|
| DXY Index | 105.09 | 105.20 | -0.1% |
| AUD/USD | 0.7102 | 0.7080 | 0.3% |
| AUD/GBP | 0.5822 | 0.5795 | 0.5% |
| AUD/EUR | 0.6880 | 0.6875 | 0.1% |
| AUD/YEN | 94.44 | 94.07 | 0.4% |
| AUD/NZD | 1.1041 | 1.1054 | -0.1% |
| AUD/CAD | 0.9067 | 0.9047 | 0.2% |

| Other Markets | Close | Prior | % Δ |
|----------------------------|--------|--------|-------|
| VIX Index | 20.20 | 19.74 | 2.3% |
| 2-Year Treasury Yield (%) | 3.194 | 3.210 | -2 bp |
| 10-Year Treasury Yield (%) | 2.891 | 2.788 | 10 bp |
| US 2-10-Year Spread | -0.303 | -0.422 | 12 bp |

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