

12 September 2022

## Futures >1% higher as stocks/commodities stage broad rally on Fri night

- **Futures point higher.** Following a very strong Friday night session on Wall Street, it appears local stocks will open higher when trading commences for the week – with ASX futures currently up by 79 points, or 1.1%. There will be little in the way of economic news with UK GDP figures the major release today.
- **This week in economics.** The key event this week will undoubtedly be the release of **US CPI** figures on Tuesday night (local time); where expectations are for another moderation in the headline reading (8.1% from 8.5%) and a MoM decline of 0.1%. Elsewhere, UK jobs data is due, Eurozone economic sentiment readings, UK and Eurozone CPI and local jobs data on Thursday.
- **Global markets on Friday.** US and European stocks were all strong on Friday night – including a move back through the 50 and 100-day moving averages for the S&P and Nasdaq – as investor risk appetite returned. For the day, the Nasdaq led the gains – up 2.1% - followed by the Russell (+1.9%), S&P (+1.5%) and DAX/CAC at 1.4% a piece.
- **USD finally gives up some ground.** Also helping with sentiment across all markets was a sizeable fall in the **USD** following an almost relentless move up. As measured by the DXY, the dollar fell 0.6% against a basket of currencies, which saw **commodities** stage a broad-based rally, including a 5% move in **oil**, 4% in **tin**, 2% in **silver** and 1% in **copper** and **gold**.
- **In other markets,** bond yields were higher at the short-end (again) and ~unchanged at the long-end, with the US 2-year up 6bps for the day and the 10-year flat. The yield curve subsequently inverted further, to 26bps. Elsewhere the **VIX Index** fell 4% on account of the day's equity market strength.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,139.0	7,085.3	0.8%
ASX 200	6,894.2	6,848.7	0.7%
ASX Emerging Companies	2,260.2	2,230.0	1.4%

### US Markets

Dow Jones	32,151.7	31,774.5	1.2%
S&P500	4,067.4	4,006.2	1.5%
Nasdaq	12,112.3	11,862.1	2.1%
Russell 2000	1,882.9	1,846.9	1.9%

### Asian & European Markets

Shanghai Composite	3,262.1	3,235.6	0.8%
Nikkei	28,214.8	28,065.3	0.5%
Hang Seng	19,362.3	18,854.6	2.7%
FTSE 100	7,351.1	7,262.1	1.2%
DAX 30	13,088.2	12,904.3	1.4%
CAC 40	6,212.3	6,125.9	1.4%

Economic Releases	Time	F'cast	Prior
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UK GDP YoY (July)	16:00	2.6%	1.9%
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Key BW Names	Close	Prior	% Δ
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Frontier Energy	0.395	0.370	6.8%
Jervois Mining	0.525	0.510	2.9%
BetMakers Tech. Group	0.435	0.425	2.4%
Lotus Resources	0.265	0.260	1.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	86.79	82.83	4.8%
Gold	1,717.3	1,708.5	0.5%
Gold (Aus)	2,511.4	2,530.4	-0.7%
Silver	18.84	18.54	1.6%
Uranium (Spot)	51.75	51.25	1.0%
Tin (Futures)	21,213	20,500	3.5%

Currency	Close	Prior	% Δ
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DXY Index	108.97	109.64	-0.6%
AUD/USD	0.6838	0.6752	1.3%
AUD/GBP	0.5880	0.5867	0.2%
AUD/EUR	0.6777	0.6752	0.4%
AUD/YEN	97.39	97.21	0.2%
AUD/NZD	1.1197	1.1144	0.5%
AUD/CAD	0.8912	0.8837	0.8%

Other Markets	Close	Prior	% Δ
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VIX Index	22.79	23.61	-3.5%
2-Year Treasury Yield (%)	3.577	3.522	6 bp
10-Year Treasury Yield (%)	3.321	3.323	0 bp
US 2-10-Year Spread	-0.256	-0.199	-6 bp