

15 August 2022

Markets to open sharply higher following strong US lead on Friday

- **Futures point higher.** The ASX is set to open in the green this morning, with ASX futures up ~0.6% at the time of writing. The implied open compliments a number of company reports released today, such as **Beach Energy, Bendigo & Adelaide Bank, JB Hi-Fi and BlueScope Steel.**
- **Global markets on Friday night.** It was a strong end to the week for US equities, with all the major indices gaining notable ground – and closing at the highs of the day. It was the tech-heavy Nasdaq and small-cap Russell 2000 that led the charge, adding +2.1% each, whilst the S&P and Dow added +1.7% and +1.3% respectively. Elsewhere, both European and Asian markets were up as a whole, with the Nikkei (+2.6%) being the stand out performer.
- **In other markets.** WTI Crude slipped -2.1% on Friday, closing at ~\$92.1/bbl. Precious metals had a strong day, as **gold** (+0.7%) crossed \$1800/oz and silver gained +2.4%. The biggest mover of the day was **tin**, which grew +4.7%. In the currency market, the **DX** added +0.5%, consolidating with the 105-106 range and the **AUD** appreciated against the majority of currencies.
- **A quiet session for bonds.** It was a pleasantly calmer session for the fixed income sector, as the 2-Year added +6bps and the 10-Year remained flat. These moves resulted in a flattened of the yield curve by -6bps, to ~36bps to close the week.
- **This week in economics.** It will be a busy week for economic data with numerous important economic releases due, including: Japanese Q2 GDP (today) along with numerous Chinese data points – house prices, FDI, industrial production and retail sales. While over the balance of the week, the UK unemployment rate (Tues), Canada's inflation rate (Tues), UK inflation rate (Wed), local unemployment rate (Thur), FOMC minutes (Thur) and Japan's inflation rate (Fri) are amongst others being released.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,288.8	7,325.4	-0.5%
ASX 200	7,032.5	7,071.0	-0.5%
ASX Emerging Companies	2,330.0	2,325.9	0.2%

US Markets

Dow Jones	33,761.1	33,336.7	1.3%
S&P500	4,280.2	4,207.3	1.7%
Nasdaq	13,047.2	12,779.9	2.1%
Russell 2000	2,016.6	1,975.3	2.1%

Asian & European Markets

Shanghai Composite	3,275.9	3,281.7	-0.2%
Nikkei	28,547.0	27,819.3	2.6%
Hang Seng	20,175.6	20,082.4	0.5%
FTSE 100	7,500.9	7,465.9	0.5%
DAX 30	13,795.9	13,694.5	0.7%
CAC 40	6,553.9	6,544.7	0.1%

Economic Releases	Time	F'cast	Prior
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Japan GDP	9:50		
China Data	Various		

Key BW Names	Close	Prior	% Δ
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Alderman Resources	0.011	0.010	10.0%
Frontier Energy	0.295	0.280	5.4%
Lotus Resources	0.240	0.230	4.3%
Elementos	0.375	0.360	4.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	92.09	94.02	-2.1%
Gold	1,801.4	1,788.6	0.7%
Gold (Aus)	2,529.7	2,518.4	0.4%
Silver	20.78	20.29	2.4%
Uranium (Spot)	47.75	47.75	0.0%
Tin (Futures)	24,808	23,705	4.7%

Currency	Close	Prior	% Δ
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DX Index	105.66	105.09	0.5%
AUD/USD	0.7121	0.7102	0.3%
AUD/GBP	0.5867	0.5822	0.8%
AUD/EUR	0.6940	0.6880	0.9%
AUD/YEN	95.06	94.44	0.7%
AUD/NZD	1.1037	1.1041	0.0%
AUD/CAD	0.9097	0.9067	0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	19.53	20.20	-3.3%
2-Year Treasury Yield (%)	3.253	3.194	6 bp
10-Year Treasury Yield (%)	2.893	2.891	0 bp
US 2-10-Year Spread	-0.360	-0.303	-6 bp