

16 August 2022

## Rally continues overnight with all US markets higher, crude loses 4%

- **Global markets.** It was another strong night for US equities, with all major indices continuing to melt-up as the Dow, S&P 500 and Nasdaq all put on >0.4% for the session, while the Russell 2000 rose 0.2%. Last night also represented the 2-month mark since lows were hit in June, since which time the Nasdaq has put on 24%, Russell 23%, the S&P 500 +18% and Dow 14%. In other regions, gains were similarly positive, albeit less-so, with all European indices up 0.1%-0.2%.
- **In economics,** the big news during yesterday's local session was an (ugly) data dump and surprise rate cut from China, followed by a shockingly bad Empire Manufacturing print (-31 vs 5 expected) and NAHB Housing Market Index from the US overnight – the latter of which fell to 49, against both expectations and a prior monthly read of 55.
- **USD up, yields down.** The **USD** resumed its move higher overnight, adding 0.8% against a basket of currencies and 1.4% against a weak **AUD** (which lost ground against all other crosses). Signs of a weaker global economy also saw **US Treasury** yields fall; with the 2-year at 3.18% and the 10-year at 2.78% - resulting in a spread of 39bps, up 3bps on the day.
- **In other markets,** the price of **oil** and **commodities** broadly came under pressure following the poor data from China. For the day, **WTI crude** lost 4% to end back at US\$88/bbl (~30% off its highs of the year), **spot uranium** lost 0.5%, **gold** and **silver** were each off ~1-2% and **copper** was also down. Elsewhere, the **VIX Index** added 2% despite the day's lack of equity market volatility.
- **Futures point higher.** Following the strong lead from Wall Street, it appears local stocks will open higher when trading commences this morning – with ASX futures currently ahead by 22 points, or ~0.3% at the time of writing. In economic news; today will see UK employment figures, economic sentiment readings from the EZ and US industrial production.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,324.9	7,288.8	0.5%
ASX 200	7,064.3	7,032.5	0.5%
ASX Emerging Companies	2,330.2	2,330.0	0.0%

### US Markets

Dow Jones	33,912.4	33,761.1	0.4%
S&P500	4,297.1	4,280.2	0.4%
Nasdaq	13,128.1	13,047.2	0.6%
Russell 2000	2,021.4	2,016.6	0.2%

### Asian & European Markets

Shanghai Composite	3,276.1	3,275.9	0.0%
Nikkei	28,871.8	28,547.0	1.1%
Hang Seng	20,040.9	20,175.6	-0.7%
FTSE 100	7,509.2	7,500.9	0.1%
DAX 30	13,816.6	13,795.9	0.2%
CAC 40	6,570.0	6,553.9	0.2%

Economic Releases	Time	F'cast	Prior
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UK Unemployment Rate	16:00	3.8%	3.8%
German Econ. Sentiment	19:00	-53.8	-53.8
Eurozone Econ. Sentiment	19:00		-53.8
Canadian Inflation	22:30	7.6%	8.1%
US Industrial Production (MoM)	22:30	0.3%	-0.2%

Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.485	0.455	6.6%
BetMakers Tech. Group	0.460	0.445	3.4%
Selfwealth	0.200	0.195	2.6%
Family Zone Cyber Security	0.410	0.405	1.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	88.37	92.09	-4.0%
Gold	1,779.3	1,801.4	-1.2%
Gold (Aus)	2,534.8	2,529.7	0.2%
Silver	20.27	20.78	-2.5%
Uranium (Spot)	47.50	47.75	-0.5%
Tin (Futures)	24,808	24,808	0.0%

Currency	Close	Prior	% Δ
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DXY Index	106.49	105.66	0.8%
AUD/USD	0.7020	0.7121	-1.4%
AUD/GBP	0.5823	0.5867	-0.7%
AUD/EUR	0.6911	0.6940	-0.4%
AUD/YEN	93.44	95.06	-1.7%
AUD/NZD	1.1028	1.1037	-0.1%
AUD/CAD	0.9058	0.9097	-0.4%

Other Markets	Close	Prior	% Δ
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VIX Index	19.95	19.53	2.2%
2-Year Treasury Yield (%)	3.178	3.253	-8 bp
10-Year Treasury Yield (%)	2.787	2.893	-11 bp
US 2-10-Year Spread	-0.391	-0.360	-3 bp