

19 September 2022

Futures lower after US sell-off on Fri night, Fed rate decision this week

- Global markets.** The US sell-off continued on Friday, as all the major indices finished in the red. For the day, it was the small cap Russell 2000 that was the biggest loser, falling -1.5%, followed by the Nasdaq (-0.9%), S&P500 (-0.7%) and Dow Jones (-0.5%). Indeed, for the week, the Nasdaq was down -6%, Russell 2000 -4.9%, S&P -5.2% and Dow Jones -4.2%. Elsewhere, both Asian and European indices were also notably down.
- S&P by sector.** Only 2 of the 12 sectors avoided losses on Friday – **Consumer Staples** (+0.25%) and **Real Estate** (+0.03%). On the other hand, **Energy**, **Industrials** and **Materials** were the biggest contributors to the loss, falling -2.2%, -2.1% and -1.6% respectively.
- In other markets.** WTI Crude added +1.0% on Friday, whilst uranium fell -5%, closing at \$47.25/lbs and tin slipped -2%. Precious metals were up on the day, as gold gained +0.9% and silver added +2.7% - the last 2 weeks have seen silver's biggest gains relative to gold in over 2 years. The USD was flat against a basket of currencies, although the DXY was once again up for the week. Finally, the VIX remained elevated, closing at 26.30, up 12.6% for the week.
- Yields.** It was a quiet end to the week for the fixed income market, as the 2-Year lost 1bp and the 10-Year remained unchanged. As a result, the 2-10-Year spread rose 1bp, remaining heavily inverted at -41bps.
- Futures.** Following the weak performance of the US on Friday, the ASX looks set to decline at the open, with ASX futures down by 2 points.
- Economics this week.** Key events this week will of course include the Fed's latest rate decision, inflation data in Japan and Canada, along with interest rate decisions from Japan and the UK.

| World Indices | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

Local Markets

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|------------------------|---------|---------|-------|
| All Ordinaries | 6,975.2 | 7,082.5 | -1.5% |
| ASX 200 | 6,739.1 | 6,842.9 | -1.5% |
| ASX Emerging Companies | 2,211.6 | 2,249.9 | -1.7% |

US Markets

| | | | |
|--------------|----------|----------|-------|
| Dow Jones | 30,822.4 | 30,961.8 | -0.5% |
| S&P500 | 3,873.3 | 3,901.4 | -0.7% |
| Nasdaq | 11,448.4 | 11,552.4 | -0.9% |
| Russell 2000 | 1,798.2 | 1,825.2 | -1.5% |

Asian & European Markets

| | | | |
|--------------------|----------|----------|-------|
| Shanghai Composite | 3,126.4 | 3,199.9 | -2.3% |
| Nikkei | 27,567.7 | 27,875.9 | -1.1% |
| Hang Seng | 18,761.7 | 18,930.4 | -0.9% |
| FTSE 100 | 7,236.7 | 7,282.1 | -0.6% |
| DAX 30 | 12,741.3 | 12,956.7 | -1.7% |
| CAC 40 | 6,077.3 | 6,157.8 | -1.3% |

| Economic Releases | Time | F'cast | Prior |
|-------------------|------|--------|-------|
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No major economic data today

| Key BW Names | Close | Prior | % Δ |
|--------------|-------|-------|-----|
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|----------------------------|-------|-------|------|
| Family Zone Cyber Security | 0.315 | 0.305 | 3.3% |
| Forbidden Foods | 0.096 | 0.096 | 0.0% |
| Hydralyte | 0.110 | 0.110 | 0.0% |
| Syrah Resources | 0.188 | 0.188 | 0.0% |

| Commodities | Close | Prior | % Δ |
|-------------|-------|-------|-----|
|-------------|-------|-------|-----|

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|------------------------|---------|---------|-------|
| Oil - West Texas Crude | 85.49 | 84.62 | 1.0% |
| Gold | 1,677.6 | 1,663.0 | 0.9% |
| Gold (Aus) | 2,496.4 | 2,483.9 | 0.5% |
| Silver | 19.57 | 19.05 | 2.7% |
| Uranium (Spot) | 47.25 | 49.75 | -5.0% |
| Tin (Futures) | 20,905 | 21,345 | -2.1% |

| Currency | Close | Prior | % Δ |
|----------|-------|-------|-----|
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| DXY Index | 109.70 | 109.75 | 0.0% |
| AUD/USD | 0.6720 | 0.6695 | 0.4% |
| AUD/GBP | 0.5884 | 0.5840 | 0.8% |
| AUD/EUR | 0.6711 | 0.6698 | 0.2% |
| AUD/YEN | 96.15 | 96.00 | 0.2% |
| AUD/NZD | 1.1212 | 1.1229 | -0.2% |
| AUD/CAD | 0.8917 | 0.8866 | 0.6% |

| Other Markets | Close | Prior | % Δ |
|---------------|-------|-------|-----|
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|----------------------------|--------|--------|-------|
| VIX Index | 26.30 | 26.27 | 0.1% |
| 2-Year Treasury Yield (%) | 3.867 | 3.877 | -1 bp |
| 10-Year Treasury Yield (%) | 3.453 | 3.455 | 0 bp |
| US 2-10-Year Spread | -0.414 | -0.422 | 1 bp |