

23 August 2022

Markets sold-off heavily overnight as Jackson Hole looms, futures -0.6%

- **Global markets.** It was an ugly session overnight for US equities, with all major indices losing meaningful ground. The Nasdaq was the worst performer, falling 2.5%, followed by the S&P500 and Russell 2000 (each of which lost 2.1%) and the Dow (-1.9%). Over in Europe it was a similar story, with Germany and French markets down ~2%.
- **Futures point lower.** Unsurprisingly, ASX futures point to falls at the open, trading down -0.6% as of writing. Over the day, some important economic data will be released, such as the S&PG manufacturing and Services PMIs (locally), other global PMIs (from the likes of France, Germany, the UK and US) and Eurozone Flash consumer confidence.
- **Yields higher gain.** It was a less chaotic session for fixed income overnight, albeit all yields still finished the day higher – with the long-end outperforming shorter bonds as the 2-Year added +4bps and the 10-Year crossed back over 3%, adding +7bps. The yield curve remains considerably inverted at ~29bps.
- **USD continues to rise.** The currency market has a significant session overnight, as EUR/USD slipped below parity, hitting its lowest value in ~20 Years. Indeed, this was also reflected in the DXY, which gained +0.8% to nearly reach a level of 109 – also its highest level in ~20 years.
- **In other markets.** **WTI Crude** added ~1% on the back of OPEC+ production cut rumours, crossing back above \$90/bbl. **Gold**, on the other hand, slipped -0.7% following the aforementioned strong US dollar, whilst **silver** also lost 0.4%. The **VIX** unsurprisingly rose 16% overnight, given the volatile session.
- **Company reports continue.** Today, numerous ASX companies have already released their FY22 reports, including **Pilbara Minerals** delivering its first full-year profit, with NPAT of ~\$561M. Engineering group **Monadelphous** profit rose +11% and **Breville** profit rose +16%. **Endeavour Group** also saw profits rise +11% and **Scentre's** profit grew +20%.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,287.2	7,358.7	-1.0%
ASX 200	7,046.9	7,114.5	-1.0%
ASX Emerging Companies	2,250.9	2,283.4	-1.4%

US Markets

Dow Jones	33,063.6	33,706.7	-1.9%
S&P500	4,138.0	4,228.5	-2.1%
Nasdaq	12,381.6	12,705.2	-2.5%
Russell 2000	1,915.7	1,957.4	-2.1%

Asian & European Markets

Shanghai Composite	3,277.8	3,258.1	0.6%
Nikkei	28,794.5	28,930.3	-0.5%
Hang Seng	19,657.0	19,773.0	-0.6%
FTSE 100	7,533.8	7,550.4	-0.2%
DAX 30	13,230.6	13,544.5	-2.3%
CAC 40	6,378.7	6,495.8	-1.8%

Economic Releases	Time	F'cast	Prior
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S&PG Manufacturing PMI	9:00		55.7
S&PG Services PMI	9:00		50.9
Global PMIs	Various		
Eurozone Flash Cons. Confidence	0:00	-28.0	-27.0

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.215	0.205	4.9%
Elementos	0.370	0.360	2.8%
Forbidden Foods	0.105	0.105	0.0%
Alderman Resources	0.010	0.010	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	90.23	89.62	0.7%
Gold	1,734.9	1,747.2	-0.7%
Gold (Aus)	2,520.1	2,541.3	-0.8%
Silver	18.97	19.04	-0.4%
Uranium (Spot)	48.00	48.00	0.0%
Tin (Futures)	24,625	24,625	0.0%

Currency	Close	Prior	% Δ
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DXY Index	108.96	108.13	0.8%
AUD/USD	0.6885	0.6875	0.1%
AUD/GBP	0.5849	0.5813	0.6%
AUD/EUR	0.6923	0.6850	1.1%
AUD/YEN	94.63	94.13	0.5%
AUD/NZD	1.1140	1.1131	0.1%
AUD/CAD	0.8982	0.8934	0.5%

Other Markets	Close	Prior	% Δ
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VIX Index	23.80	20.60	15.5%
2-Year Treasury Yield (%)	3.314	3.276	4 bp
10-Year Treasury Yield (%)	3.027	2.961	7 bp
US 2-10-Year Spread	-0.287	-0.315	3 bp