

31 August 2022

Markets lower for a 3rd session overnight, spot uranium pops 3%

- **Global markets.** US stocks registered up a third consecutive day of declines overnight, with all major indices giving back >1%, despite having traded much higher in the pre-market (ie. a peak-to-trough fall of ~2% over the day). The small cap Russell 2000 fared worst of all, losing 1.5%, while markets in Europe were mixed, as the DAX managed to eek out a 0.5% gain for the day.
- **More hawkish Fed speak.** Driving the poor session was more of the same – namely, hawkish fed speak – with New York Fed President John Williams taking the mantle last night, noting “I do think, with demand far exceeding supply, we do need to get real interest rates above zero”, noting “... we’re quite a ways from that”. With real rates currently negative to the tune of ~5%, the message sent to markets was clear.
- **From a sector standpoint,** all 11 sub-sectors were lower, led by **Energy** – which lost 3.4% on account of the broad market weakness and a ~6% fall in the price of **WTI crude**. At the other end of the spectrum, **Communication Services** (-0.8%) and **Healthcare** (-0.7%) were the day’s relative outperformers.
- **In other markets,** the **USD** was broadly flat against a basket of currencies (and 0.7% lower against a strong **AUD**), **commodities** were mostly lower – **oil, copper, gold, silver** all down – with the exception of **uranium**, which gained 3% for the day. **Treasury** yields were higher along the curve, particularly at the long-end, and the **VIX Index** was flat.
- **Futures point lower.** Given the poor lead from Wall Street, it appears local stocks will open sharply lower when trading commences this morning – with ASX futures currently down by 58 points, or ~0.9%.
- **In economic news,** it will be a reasonably busy 24 hours, with key releases including **Chinese PMIs** just before midday, **inflation from France, Italy** and the wider **Eurozone**, **German unemployment** figures and speeches from Fed members Bostic and Mester.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,230.4	7,193.4	0.5%
ASX 200	6,998.3	6,965.5	0.5%
ASX Emerging Companies	2,237.5	2,205.9	1.4%

US Markets

Dow Jones	31,790.9	32,099.0	-1.0%
S&P500	3,986.2	4,030.6	-1.1%
Nasdaq	11,883.1	12,017.7	-1.1%
Russell 2000	1,855.6	1,882.9	-1.5%

Asian & European Markets

Shanghai Composite	3,227.2	3,240.7	-0.4%
Nikkei	28,195.6	27,879.0	1.1%
Hang Seng	19,949.0	20,023.2	-0.4%
FTSE 100	7,361.6	7,427.3	-0.9%
DAX 30	12,961.1	12,893.0	0.5%
CAC 40	6,210.2	6,222.3	-0.2%

Economic Releases	Time	F'cast	Prior
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China Manufacturing PMI	11:30	49.2	49.0
French Inflation	16:45	6.1%	6.1%
German Unemployment Rate	17:55	5.5%	5.4%
Italian Inflation	19:00	8.1%	7.9%
Eurozone Core Inflation	19:00	4.1%	4.0%
Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
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Family Zone Cyber Security	0.400	0.360	11.1%
Lotus Resources	0.265	0.245	8.2%
BetMakers Tech. Group	0.410	0.390	5.1%
Frontier Energy	0.400	0.390	2.6%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	91.64	97.01	-5.5%
Gold	1,724.5	1,738.1	-0.8%
Gold (Aus)	2,516.3	2,517.5	0.0%
Silver	18.44	18.78	-1.8%
Uranium (Spot)	50.75	49.25	3.0%
Tin (Futures)	24,250	24,250	0.0%

Currency	Close	Prior	% Δ
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DXY Index	108.81	108.78	0.0%
AUD/USD	0.6853	0.6904	-0.7%
AUD/GBP	0.5881	0.5897	-0.3%
AUD/EUR	0.6843	0.6904	-0.9%
AUD/YEN	95.10	95.77	-0.7%
AUD/NZD	1.1181	1.1220	-0.3%
AUD/CAD	0.8972	0.8980	-0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	26.21	26.21	0.0%
2-Year Treasury Yield (%)	3.429	3.410	2 bp
10-Year Treasury Yield (%)	3.107	3.040	7 bp
US 2-10-Year Spread	-0.322	-0.370	5 bp