

5 August 2022

## Markets ~flat overnight, BOE hikes 50bps, US jobs data due this evening

- **Global markets.** It was a relatively uneventful overnight session for equity markets, with all US indices closing in a range of down 0.3% to up 0.4% as investors awaited tonight's July payrolls report. It was a similar story over in Europe as all indices crept higher by <1%.
- **In economic news,** there were two major events overnight, being: weekly jobless claims (a timely read on the state of the US employment market), where initial claims continued their upward rise – at 260k for the week, being up on 259k expected and 254k last week. Elsewhere, the **BOE** handed down its latest rate decision (it was a 50bps hike) and gave a series of somber economic forecasts, including a peak in inflation of 13%, the potential for five straight quarters of negative GDP and an inflation rate in the double digits ~one year from now.
- **In other markets,** it was a good session for precious metals with **gold** +1.5% and **silver** up ~1%, but from a **commodity** perspective, that was about it, as **oil** fell below US\$90/bbl, **tin** lost 2%, **uranium** 1% and **iron ore** 2.5%. Elsewhere, the **USD** was weak, losing 0.6% against a basket of currencies and being well off its recent high of >108. And finally, the **VIX Index** fell another 2% and is rapidly approaching its long-term average level of ~20.
- **Futures point higher.** Despite the modest losses on Wall Street last night, it appears local stocks will open slightly higher when trading commences this morning – with ASX futures currently up by 6pts or ~0.1% at the time of writing.
- **Jobs data out tonight.** In economic news, the major event of the next 24 hours will be the US non-farm payrolls release later this evening – where expectations are for 250k job additions in the month of July (down from 372k last month) and a flat unemployment rate at 3.6%.

World Indices	Close	Prior	% Δ
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<u>Local Markets</u>			
All Ordinaries	7,207.5	7,202.9	0.1%
ASX 200	6,974.9	6,975.9	0.0%
ASX Emerging Companies	2,255.2	2,245.0	0.5%

<u>US Markets</u>			
Dow Jones	32,726.8	32,812.5	-0.3%
S&P500	4,151.9	4,155.2	-0.1%
Nasdaq	12,720.6	12,668.2	0.4%
Russell 2000	1,906.5	1,908.9	-0.1%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,189.0	3,163.7	0.8%
Nikkei	27,932.2	27,741.9	0.7%
Hang Seng	20,174.0	19,767.1	2.1%
FTSE 100	7,448.1	7,445.7	0.0%
DAX 30	13,662.7	13,587.6	0.6%
CAC 40	6,513.4	6,472.1	0.6%

Economic Releases	Time	F'cast	Prior
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AiG Services Index	8:30		48.8
RBA SoMP	11:30		
US Non-Farm Payrolls	22:30	250k	372k
US Unemployment Rate	22:30	3.6%	3.6%

Key BW Names	Close	Prior	% Δ
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Family Zone Cyber Security	0.405	0.370	9.5%
Selfwealth	0.195	0.185	5.4%
BetMakers Tech. Group	0.475	0.455	4.4%
Forbidden Foods	0.095	0.093	2.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	88.12	91.07	-3.2%
Gold	1,790.3	1,763.7	1.5%
Gold (Aus)	2,571.1	2,539.0	1.3%
Silver	20.18	20.01	0.8%
Uranium (Spot)	47.75	48.25	-1.0%
Tin (Futures)	23,975	24,525	-2.2%

Currency	Close	Prior	% Δ
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DXY Index	105.76	106.38	-0.6%
AUD/USD	0.6963	0.6947	0.2%
AUD/GBP	0.5727	0.5721	0.1%
AUD/EUR	0.6797	0.6835	-0.6%
AUD/YEN	92.67	93.05	-0.4%
AUD/NZD	1.1057	1.1075	-0.2%
AUD/CAD	0.8960	0.8925	0.4%

Other Markets	Close	Prior	% Δ
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VIX Index	21.44	21.95	-2.3%
2-Year Treasury Yield (%)	3.054	3.066	-1 bp
10-Year Treasury Yield (%)	2.697	2.706	-1 bp
US 2-10-Year Spread	-0.357	-0.360	0 bp