

5 September 2022

## Markets lower again on Fri night, despite 'goldilocks' US jobs report

- **Nordstream re-opening delayed.** It was yet another poor session for US stocks on Friday night, despite having traded materially higher throughout the session on the back of a 'goldilocks' non-farm payrolls report – as news surfaced that Russia had scrapped its NS1 reopening plans – which were otherwise set to commence from Saturday. From peak-to-trough, key US indices declined by ~3% on the news, which ultimately saw the Nasdaq 1.3% lower, Dow and S&P 500 1.1% lower and Russell 2000 off by 0.7%. Over in Europe (where markets had closed prior to the news), all indices were up strongly (ie. in a range of 1.9% - 3.3%).
- **'Goldilocks' jobs report.** The key economic release on Friday night – namely the September jobs report – was well received as 315k jobs were added in the month (ie. the strong labour market continues), the unemployment rate ticked up to 3.7% (ie. participants are returning) and average hourly earnings came in under expectations at 5.3% YoY, versus 5.2% expected (wage pressures are moderating).
- **In other markets,** the **USD** was slightly higher against other major currencies (+0.3%), as was the **AUD**. The price of **oil** rose 1.5%, **gold** and **silver** each gained ~1%, while base metals were weak – including an ~8% move lower in **tin**, and 1% decline in **copper**. Elsewhere, the **VIX Index** was flattish, as were **yields**.
- **Futures this morning.** Given the weak lead from Wall Street, it appears local stocks will open lower when trading commences this morning – with ASX futures currently down by 16 points, or ~0.2% at the time of writing.
- **This week in economics.** The key event in this week's local calendar will be the RBA's rate decision tomorrow at 2:30pm. Elsewhere, global PMIs are out today and tomorrow, Eurozone GDP data is due, as is a BOC rate decision, ECB rate decision and Chinese inflation data.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,056.3	7,079.9	-0.3%
ASX 200	6,828.7	6,845.6	-0.2%
ASX Emerging Companies	2,198.8	2,221.8	-1.0%

<u>US Markets</u>			
Dow Jones	31,318.4	31,656.4	-1.1%
S&P500	3,924.3	3,966.9	-1.1%
Nasdaq	11,630.9	11,785.1	-1.3%
Russell 2000	1,809.8	1,822.8	-0.7%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,186.5	3,185.0	0.0%
Nikkei	27,650.8	27,661.5	0.0%
Hang Seng	19,452.1	19,597.3	-0.7%
FTSE 100	7,281.2	7,148.5	1.9%
DAX 30	13,050.3	12,630.2	3.3%
CAC 40	6,167.5	6,034.3	2.2%

Economic Releases	Time	F'cast	Prior
S&PG Services PMI	9:00		50.9
Retail Sales	11:30	1.3%	0.2%
Global PMIs	Various		

Key BW Names	Close	Prior	% Δ
Selfwealth	0.205	0.195	5.1%
Forbidden Foods	0.099	0.095	4.2%
ImExHS	0.520	0.500	4.0%
Hydralyte	0.120	0.120	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	87.67	86.41	1.5%
Gold	1,711.4	1,696.1	0.9%
Gold (Aus)	2,518.4	2,498.3	0.8%
Silver	17.99	17.79	1.1%
Uranium (Spot)	50.88	52.38	-2.9%
Tin (Futures)	21,225	23,000	-7.7%

Currency	Close	Prior	% Δ
DXY Index	109.98	109.63	0.3%
AUD/USD	0.6796	0.6789	0.1%
AUD/GBP	0.5920	0.5883	0.6%
AUD/EUR	0.6851	0.6826	0.4%
AUD/YEN	95.34	95.17	0.2%
AUD/NZD	1.1157	1.1167	-0.1%
AUD/CAD	0.8932	0.8930	0.0%

Other Markets	Close	Prior	% Δ
VIX Index	25.47	25.56	-0.4%
2-Year Treasury Yield (%)	3.532	3.516	2 bp
10-Year Treasury Yield (%)	3.269	3.264	1 bp
US 2-10-Year Spread	-0.263	-0.252	-1 bp