

10 October 2022

Futures lower following another Fri night sell-off, US CPI due Thurs

- Global markets.** It was a rough end to the week as Friday saw global equities trade downwards amid a lower unemployment rate in the US – falling from 3.7% to 3.5%. For the session, the Nasdaq was slammed -3.8% - completely undoing the strong gains from earlier in the week, the Dow, S&P 500 and Russell 2000 lost -2.1%, -2.8% and -2.9% respectively. Elsewhere, European equities also all finished in the red.
- S&P by sector.** On Friday, all sectors of the S&P were lower. It was the rate-sensitive **tech** names which lost the most ground, collapsing -4.14%, with **Consumer Discretionary** second worst, off -3.5%.
- In other markets.** **WTI Crude** continued its rapid appreciation last week, adding +4.7% on Friday – up over 13% for the week due to OPEC reducing output. Moreover, precious metals were down, as **gold** lost -1.0% and **silver** lost -2.6%. **Uranium** and **tin** were also down -0.8% and -1.5% respectively. In the currency market, the USD rose against a basket of currencies, as the **DX** added +0.4%, whilst the **AUD/USD** hit a two and a half year low of 0.6377. Finally, following the big swings across the markets, the **VIX** rose +2.8%.
- Yields.** Yields were up across the board on Friday, as expectations for larger rate hikes increased given the lack of success thus far in bringing down inflation. Consequently, the 2-Year added +5bps and the 10-Year added +7bps, flattening the 2-10-Year yield curve by 2bps.
- In economics,** key data this week will include the Westpac Consumer Confidence Index (Tue), UK employment and GDP figures, US PPI and CPI, retail sales and FOMC minutes and inflation from China and Germany.
- Futures.** Following the weak performance of US equities of Friday, the ASX is set to fall at the opening, with ASX futures down ~0.9% or -61bps as of writing.

| World Indices | Close | Prior | % Δ |
|------------------------|---------|---------|-------|
| <u>Local Markets</u> | | | |
| All Ordinaries | 6,976.1 | 7,033.5 | -0.8% |
| ASX 200 | 6,762.8 | 6,817.5 | -0.8% |
| ASX Emerging Companies | 2,123.2 | 2,133.5 | -0.5% |

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|-------------------|----------|----------|-------|
| <u>US Markets</u> | | | |
| Dow Jones | 29,296.8 | 29,926.9 | -2.1% |
| S&P500 | 3,639.7 | 3,744.5 | -2.8% |
| Nasdaq | 10,652.4 | 11,073.3 | -3.8% |
| Russell 2000 | 1,702.2 | 1,752.5 | -2.9% |

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|-------------------------------------|----------|----------|-------|
| <u>Asian & European Markets</u> | | | |
| Shanghai Composite | 3,024.4 | 3,024.4 | 0.0% |
| Nikkei | 27,116.1 | 27,311.3 | -0.7% |
| Hang Seng | 17,740.1 | 18,012.2 | -1.5% |
| FTSE 100 | 6,991.1 | 6,997.3 | -0.1% |
| DAX 30 | 12,273.0 | 12,470.8 | -1.6% |
| CAC 40 | 5,866.9 | 5,936.4 | -1.2% |

| Economic Releases | Time | F'cast | Prior |
|--------------------|---------|--------|-------|
| AIG Services Index | 8:30 | | 53.3 |
| 2 x Fed Speakers | Various | | |

| Key BW Names | Close | Prior | % Δ |
|----------------------------|-------|-------|-------|
| Frontier Energy | 0.425 | 0.380 | 11.8% |
| Family Zone Cyber Security | 0.320 | 0.320 | 0.0% |
| Selfwealth | 0.225 | 0.225 | 0.0% |
| Alderaan Resources | 0.009 | 0.009 | 0.0% |

| Commodities | Close | Prior | % Δ |
|------------------------|---------|---------|-------|
| Oil - West Texas Crude | 92.64 | 88.45 | 4.7% |
| Gold | 1,694.9 | 1,712.8 | -1.0% |
| Gold (Aus) | 2,657.8 | 2,671.2 | -0.5% |
| Silver | 20.13 | 20.66 | -2.6% |
| Uranium (Spot) | 48.00 | 48.38 | -0.8% |
| Tin (Futures) | 19,945 | 20,250 | -1.5% |

| Currency | Close | Prior | % Δ |
|----------|--------|--------|-------|
| DX Index | 112.75 | 112.27 | 0.4% |
| AUD/USD | 0.6377 | 0.6412 | -0.5% |
| AUD/GBP | 0.5756 | 0.5746 | 0.2% |
| AUD/EUR | 0.6551 | 0.6551 | 0.0% |
| AUD/YEN | 92.66 | 93.05 | -0.4% |
| AUD/NZD | 1.1356 | 1.1327 | 0.3% |
| AUD/CAD | 0.8759 | 0.8813 | -0.6% |

| Other Markets | Close | Prior | % Δ |
|----------------------------|--------|--------|------|
| VIX Index | 31.36 | 30.52 | 2.8% |
| 2-Year Treasury Yield (%) | 4.312 | 4.262 | 5 bp |
| 10-Year Treasury Yield (%) | 3.890 | 3.824 | 7 bp |
| US 2-10-Year Spread | -0.422 | -0.438 | 2 bp |