

27 September 2022

Stocks sold-off again overnight as US 10-year rises 23bps (to 3.92%)

- **Global markets.** It was another night of red for indices across the globe, with US stocks ending the day lower in a range of 0.6-1.4%, as the small cap Russell 2000 (-1.4%) was the day's worst performer, while the tech-heavy Nasdaq (-0.6%) was the 'best'. Interestingly, the S&P closed at its lowest point since december 2020. Elsewhere, Asian and European indices were down, notably the Nikkei, which fell -2.7%.
- **S&P by Sector.** Overnight, 12 of the 13 sectors in the S&P were down. **Utilities, Real Estate and Energy** lost most ground, with each falling by 2.4-2.6%, whilst **Consumer Staples** were up a very slight +0.01%.
- **In other markets, WTI Crude** was ~flat, whilst **uranium** lost -1%. Precious metals were down, as **gold** lost -1.1% and **silver** lost -2.0%. Finally, **tin** lost 5.2%. In currency markets, the **USD** continued to soar against a basket of currencies and is up +4% in the last 5 days (the **DX** added another +0.8% overnight) and is now at its highest level since 2002. Indeed, the **AUD/USD** crossed below 0.65 for the first time in over 2 years. Finally, with volatility and uncertainty increasing significantly, the **VIX** added +7.8% to close above a level of 32.
- **Yields.** It was utter chaos (once again) in the fixed income market overnight, as the 2-Year jumped 14bps and the 10-Year added a stunning 23bps, resulting in a 10bps jump in the 2-10-Year spread. The 10-year yield is now at a 12-year high.
- **Futures point lower.** Despite the global sell-off overnight, the ASX actually appears likely to rise when trading commences today, with ASX futures up ~0.3% at the time of writing. Today, some key economic news of note will include a speech from ECB President Lagarde and the Fed's Bullard, along with US Durable Goods Orders and US CB Consumer Confidence.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	6,667.5	6,788.7	-1.8%
ASX 200	6,469.4	6,574.7	-1.6%
ASX Emerging Companies	2,023.9	2,111.9	-4.2%

US Markets

Dow Jones	29,260.8	29,590.4	-1.1%
S&P500	3,655.0	3,693.2	-1.0%
Nasdaq	10,802.9	10,867.9	-0.6%
Russell 2000	1,655.9	1,679.6	-1.4%

Asian & European Markets

Shanghai Composite	3,051.2	3,088.4	-1.2%
Nikkei	26,431.6	27,153.8	-2.7%
Hang Seng	17,855.1	17,933.3	-0.4%
FTSE 100	7,021.0	7,018.6	0.0%
DAX 30	12,227.9	12,284.2	-0.5%
CAC 40	5,769.4	5,783.4	-0.2%

Economic Releases	Time	F'cast	Prior
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ECB's Lagarde Speaks	21:30		
US Durable Goods Orders	22:30	-0.4%	0.0%
Fed's Bullard Speaks	23:55		
US CB Cons. Confidence	0:00		

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.195	0.195	0.0%
Alderaan Resources	0.009	0.009	0.0%
Elementos	0.300	0.300	0.0%
Hydralyte	0.130	0.130	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	76.63	76.71	-0.1%
Gold	1,625.3	1,644.1	-1.1%
Gold (Aus)	2,516.6	2,517.7	0.0%
Silver	18.41	18.78	-2.0%
Uranium (Spot)	49.00	49.50	-1.0%
Tin (Futures)	20,243	21,350	-5.2%

Currency	Close	Prior	% Δ
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DX Index	114.11	113.19	0.8%
AUD/USD	0.6458	0.6530	-1.1%
AUD/GBP	0.6045	0.6026	0.3%
AUD/EUR	0.6723	0.6735	-0.2%
AUD/YEN	93.44	93.73	-0.3%
AUD/NZD	1.1452	1.1364	0.8%
AUD/CAD	0.8870	0.8869	0.0%

Other Markets	Close	Prior	% Δ
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VIX Index	32.26	29.92	7.8%
2-Year Treasury Yield (%)	4.347	4.212	14 bp
10-Year Treasury Yield (%)	3.919	3.687	23 bp
US 2-10-Year Spread	-0.428	-0.525	10 bp