

28 September 2022

## Stocks lower again overnight on rising yields and solid data prints

- Global markets.** It was a mixed yet quiet session for global equities overnight, as US stocks closed ~flat. The small cap Russell 2000 and tech heavy Nasdaq traded up +0.4% and +0.2% respectively, whilst the Dow and S&P finished down -0.4% and -0.2%. The S&P is now lower over 6 consecutive sessions – the longest streak since Feb 2020. Elsewhere, European indices were down, whilst Asian indices all traded up.
- In other markets,** oil moved higher, with **WTI Crude** up 2%, **tin** also gained 2%, **spot uranium** was down -1% despite news of Germany's plans to extend 2 nuclear power plants (noting, ETFs were materially higher). **Precious metals** were relatively unchanged. Volatility jumped as the **VIX** added another 1%. And finally, in currencies, the **USD** remained unchanged as measured by the DXY.
- Yields.** The fixed income market had another busy overnight session, as the US 2-Year lost -6bps and the 10-Year added +3bp – hitting 3.99% during the session and creeping ever closer to 4%. This caused the 2-10-Year spread to steepen by 9bps. The major swings in yields were not confined to the US, with UK 30Y Gilts gaining a colossal +50bps overnight (for the second day in a row), pushing the yield above 5% - the highest since 2002 and +1.5% over just the past week. For reference; the 30Y was trading at a ~1% yield at the start of this year.
- Futures lower.** As of writing, the ASX is expected to commence trading in the red, with futures down -35 points or ~0.5%.
- Busy day of CB speakers.** In economics, it will be a busy day with Australian retail sales out this morning, German consumer confidence tonight, then central bank speak from ECB President **Lagarde**, Fed members **Powell**, **Bullard**, **Evans**, **Bowman** and **Bostic** and the BOE's **Dhingra**.

World Indices	Close	Prior	% Δ
---------------	-------	-------	-----

### Local Markets

All Ordinaries	6,696.5	6,667.5	0.4%
ASX 200	6,496.2	6,469.4	0.4%
ASX Emerging Companies	2,042.2	2,023.9	0.9%

### US Markets

Dow Jones	29,135.0	29,260.8	-0.4%
S&P500	3,647.3	3,655.0	-0.2%
Nasdaq	10,829.5	10,802.9	0.2%
Russell 2000	1,662.5	1,655.9	0.4%

### Asian & European Markets

Shanghai Composite	3,093.9	3,051.2	1.4%
Nikkei	26,571.9	26,431.6	0.5%
Hang Seng	17,860.3	17,855.1	0.0%
FTSE 100	6,984.6	7,021.0	-0.5%
DAX 30	12,139.7	12,227.9	-0.7%
CAC 40	5,753.8	5,769.4	-0.3%

Economic Releases	Time	F'cast	Prior
-------------------	------	--------	-------

Retail Sales (MoM)	11:30	0.4%	1.3%
German Cons. Confidence	16:00	-39.0	-36.5
ECB's Lagarde Speaks	17:15		
Multiple Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
--------------	-------	-------	-----

Family Zone Cyber Security	0.290	0.280	3.6%
Frontier Energy	0.350	0.340	2.9%
Selfwealth	0.200	0.195	2.6%
Lotus Resources	0.220	0.220	0.0%

Commodities	Close	Prior	% Δ
-------------	-------	-------	-----

Oil - West Texas Crude	78.38	76.63	2.3%
Gold	1,629.5	1,625.3	0.3%
Gold (Aus)	2,533.4	2,516.6	0.7%
Silver	18.39	18.41	-0.1%
Uranium (Spot)	48.50	49.00	-1.0%
Tin (Futures)	20,640	20,243	2.0%

Currency	Close	Prior	% Δ
----------	-------	-------	-----

DXY Index	114.11	114.11	0.0%
AUD/USD	0.6432	0.6458	-0.4%
AUD/GBP	0.6001	0.6045	-0.7%
AUD/EUR	0.6706	0.6723	-0.3%
AUD/YEN	93.17	93.44	-0.3%
AUD/NZD	1.1425	1.1452	-0.2%
AUD/CAD	0.8829	0.8870	-0.5%

Other Markets	Close	Prior	% Δ
---------------	-------	-------	-----

VIX Index	32.60	32.26	1.1%
2-Year Treasury Yield (%)	4.287	4.347	-6 bp
10-Year Treasury Yield (%)	3.948	3.919	3 bp
US 2-10-Year Spread	-0.339	-0.428	9 bp