

11 October 2022

Stocks lower again overnight as global yields continue to rise

- **Global markets.** It was yet another poor session for stocks overnight, with all major indices across both the US and Europe ending the day lower – including a fresh 2-year closing low in the Nasdaq, which lost 1.0% for the day to be worst performer amongst the majors. Elsewhere, the S&P 500 lost 0.7% and Dow 0.3%. All markets closed well off their intraday lows.
- **Chip stocks lower on export restrictions.** From a sector perspective, the major chip stocks weighed on market performance overnight, as the US looked to curb exports to China for certain types of chips on national security grounds. For the day, all key names were lower including **Nvidia** (-3.4%), **AMD** (-1.1%), **Qualcomm** (-5.2%), **Broadcom** (-5.0%) and **Intel** (-2.0%).
- **Yields rise again.** Bond markets were closed for observance of Columbus Day in the US, although futures continued to trade, with the price of the 10-year lower by 0.6%. This came as European yields were all sharply higher including another 29bp rise in 30-year Gilts, as market participants tried to front-run the BOE's bond buying (which ends on Friday – apparently).
- **In other markets,** the **USD** began another march higher following a recent modest sell-off with the **DX** up 0.4% for the day and once again above a level of 113. This strength weighed on commodities as a group with **oil** off 1.6%, **gold** and **silver** down ~2% and 3% each. Elsewhere, the **VIX Index** was 4% higher on account of the day's volatility and the **AUD** lost ground against all major crosses – now sitting at just 0.6299 against the USD.
- **Futures lower.** Despite the weak lead from Wall Street, it appears local stocks will actually open up when trading commences – with futures currently higher by 12 points, or ~0.2% at the time of writing. In economic news, Westpac consumer confidence figures are out this morning, as are building permits and speeches from several Fed/BOE members.

World Indices	Close	Prior	% Δ
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<u>Local Markets</u>			
All Ordinaries	6,872.0	6,976.1	-1.5%
ASX 200	6,667.8	6,762.8	-1.4%
ASX Emerging Companies	2,070.5	2,123.2	-2.5%

<u>US Markets</u>			
Dow Jones	29,202.9	29,296.8	-0.3%
S&P500	3,612.4	3,639.7	-0.7%
Nasdaq	10,542.1	10,652.4	-1.0%
Russell 2000	1,691.9	1,702.2	-0.6%

<u>Asian & European Markets</u>			
Shanghai Composite	2,974.2	3,024.4	-1.7%
Nikkei	27,116.1	27,116.1	0.0%
Hang Seng	17,216.7	17,740.1	-3.0%
FTSE 100	6,959.3	6,991.1	-0.5%
DAX 30	12,272.9	12,273.0	0.0%
CAC 40	5,840.6	5,866.9	-0.4%

Economic Releases	Time	F'cast	Prior
Westpac Cons. Confidence	10:30		84.4
Building Permits (MoM)	11:30		-18.2%
UK Unemployment Rate	17:00	3.6%	3.6%
2 x Fed Speakers	Various		
2 x BOE Speakers	Various		

Key BW Names	Close	Prior	% Δ
Frontier Energy	0.440	0.425	3.5%
Selfwealth	0.225	0.225	0.0%
Elementos	0.325	0.325	0.0%
Alderan Resources	0.009	0.009	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	91.13	92.64	-1.6%
Gold	1,668.4	1,694.9	-1.6%
Gold (Aus)	2,648.6	2,657.8	-0.3%
Silver	19.61	20.13	-2.6%
Uranium (Spot)	48.63	48.00	1.3%
Tin (Futures)	19,945	19,945	0.0%

Currency	Close	Prior	% Δ
DX Index	113.16	112.75	0.4%
AUD/USD	0.6299	0.6377	-1.2%
AUD/GBP	0.5696	0.5756	-1.0%
AUD/EUR	0.6491	0.6551	-0.9%
AUD/YEN	91.79	92.66	-0.9%
AUD/NZD	1.1313	1.1356	-0.4%
AUD/CAD	0.8679	0.8759	-0.9%

Other Markets	Close	Prior	% Δ
VIX Index	32.45	31.36	3.5%
2-Year Treasury Yield (%)	4.312	4.312	0 bp
10-Year Treasury Yield (%)	3.890	3.890	0 bp
US 2-10-Year Spread	-0.422	-0.422	0 bp