

25 October 2022

Markets ~1% higher again overnight, global PMIs weak, futures +0.4%

- **Global markets.** It was a disparate 24hrs for global equities, with US stocks finishing sharply higher in overnight trade – where all major indices ended up in a range of 0.9% (Nasdaq) to 1.3% (Dow) – while during the Asian session, stocks were heavily sold-off following the conclusion of China's National Congress over the weekend, with the Hang Seng Index losing 6.4% for the day, while tech stocks were even more-savagely sold off, down 9.7% for the session.
- **In UK markets,** the announcement of a new PM, Rishi Sunak, soothed market concerns, sending 2-year **Gilts** plunging 37bps – the largest single drop since 1992 – while the **GBP** was slightly weaker against most major currencies.
- **In economics,** PMIs were released across the US and Eurozone overnight – and almost exclusively missed expectations. Key readings included a 49.9 manufacturing PMI in the US (expected 51), a 46.6 services PMI (expected 49.2), 45.7 manufacturing PMI in Germany (vs 47.0) and 47.5/45.8 services and manufacturing readings from the UK, against 49.0/48.0 expected.
- **In other markets,** the price of **oil** was slightly lower, **gold** and **silver** were similarly ~1% down, the price of **tin** continued to decline, by 0.3% for the day, while **spot uranium** was flat. In currency markets, the **USD** was flat against a basket of currencies, the **AUD** was weak against virtually all major crosses. **Treasuries** were ~flat at the short and middle of the curve, while the 30-year yield rose another 4bps to end the day at 4.38%. And finally, the **VIX Index** was ~flat and now sits just below a level of 30.
- **Futures 0.4% higher.** Given another strong lead from Wall Street overnight, it appears local stocks will open sharply higher when trading commences this morning – with ASX futures currently ahead by 28 points, or ~0.4%. Major economic news will be a German business climate survey and Conference Board consumer confidence tomorrow morning.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	6,978.4	6,869.9	1.6%
ASX 200	6,779.4	6,676.8	1.5%
ASX Emerging Companies	2,099.3	2,067.3	1.5%

US Markets

Dow Jones	31,499.6	31,082.6	1.3%
S&P500	3,797.3	3,752.8	1.2%
Nasdaq	10,952.6	10,859.7	0.9%
Russell 2000	1,748.4	1,742.2	0.4%

Asian & European Markets

Shanghai Composite	2,977.6	3,038.9	-2.0%
Nikkei	26,974.9	26,890.6	0.3%
Hang Seng	15,180.7	16,211.1	-6.4%
FTSE 100	7,014.0	6,969.7	0.6%
DAX 30	12,931.5	12,730.9	1.6%
CAC 40	6,131.4	6,035.4	1.6%

Economic Releases	Time	F'cast	Prior
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Germany Business Climate	19:00	83.3	84.3
US CB Cons. Confidence	1:00	106.5	108.0

Key BW Names	Close	Prior	% Δ
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Syrah Resources	2.430	2.200	10.5%
Jervois Mining	0.575	0.555	3.6%
Elementos	0.325	0.320	1.6%
Frontier Energy	0.480	0.475	1.1%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	84.58	85.05	-0.6%
Gold	1,649.6	1,661.2	-0.7%
Gold (Aus)	2,615.0	2,596.5	0.7%
Silver	19.23	19.47	-1.2%
Uranium (Spot)	52.68	52.68	0.0%
Tin (Futures)	18,430	18,484	-0.3%

Currency	Close	Prior	% Δ
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DX Index	111.99	112.01	0.0%
AUD/USD	0.6308	0.6398	-1.4%
AUD/EUR	0.6389	0.6475	-1.3%
AUD/YEN	93.99	94.76	-0.8%
AUD/GBP	0.5592	0.5617	-0.4%
AUD/NZD	1.1086	1.1067	0.2%
AUD/CAD	0.8649	0.8722	-0.8%

Other Markets	Close	Prior	% Δ
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VIX Index	29.85	29.69	0.5%
2-Year Treasury Yield (%)	4.492	4.505	-1 bp
10-Year Treasury Yield (%)	4.248	4.229	2 bp
US 2-10-Year Spread	-0.244	-0.276	3 bp