

13 December 2022

US markets rally sharply ahead of tonight's CPI print, futures +0.7%

- **Global markets.** It was a strong overnight session for US equities, ahead of tonight's all-important CPI print, with all major indices rallying sharply into the close after having traded only modestly higher for much of the day. For the session, the Dow led the gains, +1.6%, followed by the S&P 500 (+1.4%) and Nasdaq (+1.3%). European indices were all lower, while key sector strength came from **Energy, Utilities and Information Tech.**
- **Yields and VIX higher.** The equity market strength came despite a slight pop in **Treasury** yields, with both the 2-year and 10-year higher, while terminal rate expectations are now back above 5%. The curve remains heavily inverted at ~78bps currently. Elsewhere, the **VIX Index** awoke from its slumber, adding nearly 10% for the session.
- **In other markets,** the **USD** was a little higher vs a basket of currencies, the **AUD** fell 0.6%, **oil** prices rose >3%, while other **commodities** were mixed, including gains for **nickel** and **tin** and declines for **cobalt, silver, gold** and **copper**. **Uranium** prices were unchanged.
- **US CPI due tonight.** It will be a very busy day for economic data today, with US CPI headlining at 12:30am tomorrow morning. Current expectations are for a 7.3% headline print (down from 7.7%) and core to come in at 6.1% vs 6.3% last month. The MoM figures are both expected at 0.3%.
- **In other economic news,** Westpac's consumer confidence reading is out at 10:30am this morning, while overseas; UK employment data, Eurozone and German economic sentiment readings are also due.
- **Futures +0.7%.** Following the strong lead from Wall Street, it appears local stocks will open higher when trading commences this morning – with ASX futures currently ahead by 49 points, or ~0.7% at the time of writing.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,370.6	7,406.3	-0.5%
ASX 200	7,180.8	7,213.2	-0.4%
ASX Emerging Companies	2,122.2	2,134.7	-0.6%

US Markets

Dow Jones	34,005.0	33,476.5	1.6%
S&P500	3,990.6	3,934.4	1.4%
Nasdaq	11,143.7	11,004.6	1.3%
Russell 2000	1,818.6	1,796.7	1.2%

Asian & European Markets

Shanghai Composite	3,179.0	3,207.0	-0.9%
Nikkei	27,842.3	27,901.0	-0.2%
Hang Seng	19,463.6	19,900.9	-2.2%
FTSE 100	7,446.0	7,476.6	-0.4%
DAX 30	14,306.6	14,370.7	-0.4%
CAC 40	6,650.6	6,677.6	-0.4%

S&P500 Sectors	Close	Prior	% Δ
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Energy	645.1	629.5	2.5%
Utilities	365.8	357.7	2.3%
Information Technology	2,331.4	2,281.8	2.2%

Economic Releases	Time	F'cast	Prior
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Westpac Cons. Confidence	10:30		78.0
German Inflation Rate	18:00	10.0%	10.4%
UK Unemployment Rate	18:00	3.7%	3.6%
Eurozone Econ. Sentiment	21:00	-25.7	-38.7
German Econ. Sentiment	21:00	-26.4	-36.7
US Inflation Rate	0:30	7.3%	7.7%
US Core Inflation Rate	0:30	6.1%	6.3%

Key BW Names	Close	Prior	% Δ
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Copper Strike	0.155	0.135	14.8%
Selfwealth	0.205	0.200	2.5%
Frontier Energy	0.520	0.515	1.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	73.45	71.02	3.4%
Gold	1,781.0	1,799.8	-1.0%
Gold (Aus)	2,580.4	2,650.7	-2.7%
Silver	23.29	23.48	-0.8%
Uranium (Spot)	48.13	48.13	0.0%
Tin (Futures)	24,275	24,165	0.5%
Copper	3.7963	3.7999	-0.1%
Nickel	13.1149	12.9690	1.1%
Cobalt	51,705	51,955	-0.5%

Other Markets	Close	Prior	% Δ
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DX Index	105.03	104.93	0.1%
AUD/USD	0.6750	0.6790	-0.6%
2-Year Treasury Yield (%)	4.386	4.361	3 bp
10-Year Treasury Yield (%)	3.611	3.584	3 bp
US 2-10-Year Spread	-0.775	-0.777	0 bp
VIX Index	25.00	22.83	9.5%

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