

14 February 2023

Futures higher by 0.7% ahead of all-important US CPI release tonight

- **Global markets.** It was a strong overnight session for equities, with stocks up >1% across all major US and European markets – despite a hawkish move in rates and tonight's all-important US CPI print. For the day, the Nasdaq led gains, +1.5%, while the Dow, S&P and Russell all added ~1%. In Europe, it was a similar story with the big three indices higher in a range of 0.6% - 1.1%.
- **Tech leads, energy lags.** From a sector standpoint it was the longer-duration sectors of **Information Tech** (1.3%) and **Consumer Discretionary** (1.5%) which led the overnight gains (again, despite rates moving higher), while **Energy** was the only one of the S&P's 11 sub-sectors to fall – losing 0.6% for the day – despite a solid ~1% move higher in the price of **WTI crude**.
- **In other markets,** the USD fell against a basket of currencies, while the **AUD** was slightly higher vs the USD. Elsewhere, **commodities** were mostly higher with **oil, copper** and **tin** all rising ~1%, while **gold** and **silver** gave up modest ground. **Yields** were up along the curve, 2bps in the 2s and 10s (the curve is still heavily inverted, but unchanged at ~82bps). The **VIX Index** fell 1% ahead of tonight's CPI print.
- **Futures point higher.** Given the strong lead from Wall Street, it appears local stocks will open sharply higher when trading commences this morning; with ASX futures currently up by 49 points, or ~0.7% at the time of writing.
- **CPI tonight.** It will be an extremely busy 24 hours for macro data, with US CPI out tomorrow morning (local time) – where expectations are for MoM/YoY prints of 0.4%/5.2% respectively. Elsewhere, three Fed speakers will give their views immediately after the release. During local hours Westpac consumer confidence will be released, as will Japan's GDP, Eurozone GDP and UK unemployment figures later this evening.

World Indices	Close	Prior	% Δ
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<u>Local Markets</u>			
All Ordinaries	7,614.5	7,631.1	-0.2%
ASX 200	7,417.8	7,433.7	-0.2%
ASX Emerging Companies	2,222.6	2,246.1	-1.0%

<u>US Markets</u>			
Dow Jones	34,245.9	33,869.3	1.1%
S&P500	4,137.3	4,090.5	1.1%
Nasdaq	11,891.8	11,718.1	1.5%
Russell 2000	1,941.1	1,918.8	1.2%

<u>Asian & European Markets</u>			
Shanghai Composite	3,284.2	3,260.7	0.7%
Nikkei	27,427.3	27,671.0	-0.9%
Hang Seng	21,164.4	21,190.4	-0.1%
FTSE 100	7,947.6	7,882.5	0.8%
DAX 30	15,397.3	15,308.0	0.6%
CAC 40	7,208.6	7,129.7	1.1%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	3,491.5	3,448.0	1.3%
Consumer Discretionary	1,167.4	1,150.5	1.5%
Energy	687.9	692.1	-0.6%

Economic Releases	Time	F'cast	Prior
Westpac Cons. Confidence	10:30		84.3
Japan GDP	10:50	2.0%	-0.8%
UK Unemployment Rate	18:00	3.7%	3.7%
Eurozone GDP	21:00	1.9%	2.3%
US Core Inflation (YoY)	0:30	5.5%	5.7%
US Core Inflation (MoM)	0:30	0.4%	0.4%
US Inflation (YoY)	0:30	6.2%	6.5%
US Inflation (MoM)	0:30	0.5%	0.1%
3 x Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
Elementos	0.303	0.290	4.3%
Selfwealth	0.185	0.180	2.8%
Lotus Resources	0.230	0.230	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	80.14	79.72	0.5%
Gold	1,858	1,870	-0.6%
Gold (Aus)	2,666	2,699	-1.2%
Silver	21.97	22.02	-0.2%
Uranium (Spot)	50.50	50.50	0.0%
Tin (Futures)	27,465	27,270	0.7%
Copper	4.06	4.01	1.1%

Other Markets	Close	Prior	% Δ
DXY Index	103.3	103.6	-0.3%
AUD/USD	0.6970	0.6928	0.6%
2-Year Treasury Yield (%)	4.522	4.502	2 bp
10-Year Treasury Yield (%)	3.703	3.682	2 bp
US 2-10-Year Spread	-0.819	-0.820	0 bp
VIX Index	20.34	20.53	-0.9%

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