

16 January 2023

Futures +0.5% on strong Fri night lead from Wall Street, tin price +4%

- **Futures +0.5%.** It looks likely to be another strong start, with ASX futures currently ahead by 35pts or ~0.5% following a strong Friday night in the US. While commodity-related stocks are also likely to have a solid day after strong moves from the likes of **tin** (+4%) and **oil** (+2%).
- **This week in economics.** Over the balance of the week, key economic events will include: Westpac consumer confidence, German inflation data, UK unemployment figures and European economic confidence readings (all tomorrow), a BOJ rate decision and UK/Eurozone inflation (Wed), US PPI and retail sales (Thu) and Japanese inflation (Fri). The key event locally will be the release of jobs data – which is due on Thursday.
- **Global markets on Friday night.** It was another strong session in the US to end a ripping week for stocks – Nasdaq (+3.9%), S&P 500 (+2.3%), Dow (+1.9%) and the small cap Russell 2000 at the front of the pack, up 4.8% for the week. Gains followed the goldilocks jobs report in the preceeding Friday's session and an intra-week US CPI release which showed a rapid slowing in core ex-shelter prices. In Europe, stocks also finished the session ahead.
- **From a sector perspective,** economic-sensitive sectors led the charge, with **Discretionary** (+1.0%) the day's best performer, followed by **Financials** (+0.7%) and **Materials** (+0.7%). At the other end of the spectrum, **Real Estate** (-0.6%) was a laggard.
- **In other markets,** the **USD** suffered its worst week in 2 months (down 3%) as rate expectations were moderated, while the **Yen** popped on speculation the BOJ would stop its YCC operations. Elsewhere, the **VIX Index** utterly collapsed over the week – at 18.35 currently, from ~22. Elsewhere, **yields** were higher on Friday, but lower over the week – noting the 3m-10yr spread is currently inverted to the tune of 112bps (its deepest inversion in history).

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,540.1	7,489.9	0.7%
ASX 200	7,328.1	7,280.4	0.7%
ASX Emerging Companies	2,238.6	2,226.3	0.6%

<u>US Markets</u>			
Dow Jones	34,302.6	34,190.0	0.3%
S&P500	3,999.1	3,983.2	0.4%
Nasdaq	11,079.2	11,001.1	0.7%
Russell 2000	1,887.0	1,876.1	0.6%

<u>Asian & European Markets</u>			
Shanghai Composite	3,195.3	3,163.5	1.0%
Nikkei	26,119.5	26,449.8	-1.2%
Hang Seng	21,738.7	21,514.1	1.0%
FTSE 100	7,844.1	7,794.0	0.6%
DAX 30	15,086.5	15,058.3	0.2%
CAC 40	7,023.5	6,975.7	0.7%

S&P500 Sectors	Close	Prior	% Δ
Cons. Discretionary	1,087.3	1,076.9	1.0%
Financials	600.7	596.4	0.7%
Real Estate	248.6	250.1	-0.6%

Economic Releases	Time	F'cast	Prior
No major economic news today			

Key BW Names	Close	Prior	% Δ
Elementos	0.350	0.305	14.8%
Family Zone Cyber Security	0.270	0.265	1.9%
Frontier Energy	0.465	0.465	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	79.86	78.39	1.9%
Gold	1,923	1,921	0.1%
Gold (Aus)	2,755	2,756	0.0%
Silver	24.27	23.83	1.8%
Uranium (Spot)	50.38	50.25	0.2%
Tin (Futures)	28,630	27,635	3.6%
Copper	4.22	4.20	0.5%

Other Markets	Close	Prior	% Δ
DXY Index	102.2	102.3	-0.1%
AUD/USD	0.6981	0.6970	0.2%
2-Year Treasury Yield (%)	4.224	4.138	9 bp
10-Year Treasury Yield (%)	3.498	3.447	5 bp
US 2-10-Year Spread	-0.726	-0.691	-4 bp
VIX Index	18.35	18.83	-2.5%