

2 December 2022

Stocks hold onto post-Powell gains, Lowe on deck, US NFP's tonight

- **Global markets.** US equities managed to hold onto most of their post-Powell speech gains overnight, with the S&P 500 and Nasdaq both closing ~flat, while the Russell 2000 and Dow gave back some of the prior session's gains. The S&P 500 managed to hold above its 200DMA. It was a similar story in Europe, where all major indices closed in a range of +/- 1%, while Asian equities were mostly higher during the day time session.
- **Yields continue to fall.** The key driver of overnight performance was a continued decline in Treasury yields all along the curve, with the 10-year down 9bp to just 3.52% (after having been as high as ~4.5% a month ago), while the 2-year lost 11bps to 4.24%. The 2-10-year yield curve remains heavily inverted at -72bps at the time of writing.
- **From a sector perspective,** only 3 of the S&P's 11 sectors managed to close in the green and these were predominantly the yield-sensitive parts of the market – **Communication Services** added 0.3% and **IT** up 0.1%. At the other end of the spectrum, **Financials** were the worst performer, down 0.7%.
- **In other markets,** the fall in yields saw **gold** prices spike by ~2% to close back above US\$1800/ounce, **silver** was strong in unison – up 3%. Elsewhere, the **USD** continued to retreat, with the DXY now at just ~105 after having hit 114 last month also. The USD weakness is broadly supporting **commodities** with **tin** and **copper** both ahead again overnight. Finally, the **VIX Index** finally fell back below a level of 20 (its long-run average).
- **Futures lower.** Despite the OK lead from the US, it appears local stocks will open modestly lower this morning when trading commences. Futures are off by 0.2% at the time of writing.
- **In economics,** today will see local lending data out, Governor Lowe is set to speak, Christine Lagarde will speak twice and US non-farm payrolls will be out early tomorrow morning (local time).

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,554.0	7,480.7	1.0%
ASX 200	7,354.4	7,284.2	1.0%
ASX Emerging Companies	2,192.8	2,170.0	1.1%

US Markets

Dow Jones	34,395.0	34,589.8	-0.6%
S&P500	4,076.6	4,080.1	-0.1%
Nasdaq	11,482.5	11,468.0	0.1%
Russell 2000	1,881.7	1,886.6	-0.3%

Asian & European Markets

Shanghai Composite	3,165.5	3,151.3	0.4%
Nikkei	28,226.1	27,969.0	0.9%
Hang Seng	18,736.4	18,597.2	0.7%
FTSE 100	7,558.5	7,573.1	-0.2%
DAX 30	14,490.3	14,397.0	0.6%
CAC 40	6,754.0	6,738.6	0.2%

Economic Releases	Time	F'cast	Prior
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Home Loans (MoM)	11:30	-4.5%	-9.3%
Investment Lending (MoM)	11:30		-6.0%
Retail Sales (MoM)	11:30		0.6%
RBA Governor Lowe Speaks	13:00		
ECB's Lagarde Speaks	13:40		
US Non-Farm Payrolls	0:30	200k	261k
US Unemployment Rate	0:30	3.7%	3.7%
ECB's Lagarde Speaks	13:30 (+1)		

Key BW Names	Close	Prior	% Δ
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Dubber Corporation	0.360	0.330	9.1%
Lotus Resources	0.215	0.205	4.9%
Frontier Energy	0.553	0.540	2.3%
Jervois Mining	0.390	0.385	1.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	81.35	80.46	1.1%
Gold	1,802.4	1,768.3	1.9%
Gold (Aus)	2,580.4	2,605.4	-1.0%
Silver	22.75	22.20	2.5%
Uranium (Spot)	49.38	49.38	0.0%
Tin (Futures)	23,315	22,921	1.7%

Currency	Close	Prior	% Δ
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DXY Index	104.72	106.01	-1.2%
AUD/USD	0.6812	0.6787	0.4%
AUD/EUR	0.6473	0.6522	-0.8%
AUD/YEN	92.20	93.71	-1.6%
AUD/GBP	0.5562	0.5628	-1.2%
AUD/NZD	1.0689	1.0779	-0.8%
AUD/CAD	0.9151	0.9117	0.4%

Other Markets	Close	Prior	% Δ
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VIX Index	19.84	20.58	-3.6%
2-Year Treasury Yield (%)	4.236	4.343	-11 bp
10-Year Treasury Yield (%)	3.516	3.606	-9 bp
US 2-10-Year Spread	-0.720	-0.737	2 bp