

4 January 2023

US markets slightly lower in 1st trading session of 2023, futures +0.8%

- **Global markets.** It was a mixed first session back for global equity markets overnight, with European indices all finishing comfortably higher (in a range of +0.4% - 1.4%) while US markets – after having traded higher in the pre-market – opened strongly and then briskly declined, for an intraday range on the S&P 500 of >2%. Ultimately, all indices closed slightly lower (bouncing off their intraday lows), with the Nasdaq (-0.8%) worst of the group – despite a sharp rally in bonds.
- **Sector performance** was likewise mixed to begin the year, with last year's standout – **Energy** – the day's worst performer by a distance, off 3.6% as the price of **oil** fell sharply. At the other end of the spectrum, there were 5 sectors which managed to close in the green – **Communication Services** (+1.4%) and **Financials** (+0.4%) led the charge.
- **Yields lower.** In fixed income markets, yields were lower across the curve – particularly at the long-end – with the US 10-year **Treasury** closing lower by 13bps at a level of 3.75%. The US 2-year was also lower (by 5bps), but less-so than the longer-end which saw the curve invert further, to -62bps from -55bps at the end of last year.
- **In other markets,** the **USD** ripped higher against a basket of other major currencies, +1.1% for the day, while the **AUD** fell to \$0.67 along with many major **commodities** including of course **oil**. Elsewhere, the **VIX Index** rose 6% on account of the day's equity market volatility and closed just shy of ~23.
- **Futures higher.** Despite the poor lead from Wall Street, it actually appears as if local stocks will open higher when trading commences this morning – with ASX futures up 59 points, or ~0.8% at the time of writing.
- **In economics,** today's major news will include inflation data out of France, US ISM manufacturing PMIs and global PMIs from regions including the Eurozone, North and South America.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,131.1	7,221.7	-1.3%
ASX 200	6,946.2	7,038.7	-1.3%
ASX Emerging Companies	2,088.0	2,091.2	-0.2%
<u>US Markets</u>			
Dow Jones	33,136.4	33,147.3	0.0%
S&P500	3,824.1	3,839.5	-0.4%
Nasdaq	10,387.0	10,466.5	-0.8%
Russell 2000	1,750.7	1,761.2	-0.6%
<u>Asian & European Markets</u>			
Shanghai Composite	3,116.5	3,089.3	0.9%
Nikkei	26,094.5	26,093.7	0.0%
Hang Seng	20,145.3	19,781.4	1.8%
FTSE 100	7,554.1	7,451.7	1.4%
DAX 30	14,181.7	14,069.3	0.8%
CAC 40	6,623.9	6,594.6	0.4%
Economic Releases	Time	F'cast	Prior
France Inflation	18:45	6.4%	6.2%
ISM Manufacturing PMI	2:00	48.5	49.0
FOMC Minutes	6:00		
Global PMIs	Various		
Key BW Names	Close	Prior	% Δ
Forbidden Foods	0.028	0.027	3.7%
Family Zone Cyber Security	0.285	0.280	1.8%
Selfwealth	0.200	0.200	0.0%
Commodities	Close	Prior	% Δ
Oil - West Texas Crude	77.12	80.26	-3.9%
Gold	1,839.6	1,829.2	0.6%
Gold (Aus)	2,734.4	2,690.6	1.6%
Silver	24.01	24.10	-0.4%
Uranium (Spot)	48.75	47.75	2.1%
Tin (Futures)	25,350	24,900	1.8%
Copper	3.825	3.774	1.4%
Other Markets	Close	Prior	% Δ
DX Index	104.68	103.52	1.1%
AUD/USD	0.6727	0.6799	-1.0%
VIX Index	22.90	21.67	5.7%
2-Year Treasury Yield (%)	4.374	4.424	-5 bp
10-Year Treasury Yield (%)	3.752	3.879	-13 bp
US 2-10-Year Spread	-0.622	-0.545	-8 bp