

5 January 2023

Stocks higher overnight (SPX +0.8%), oil -5%, AUD +2%, futures +0.9%

- **Global markets.** It was another strong night for global equities, as a broad-based rally saw stocks higher across all major regions including the US, where the S&P 500 led the gains (+0.8%), Europe, with the DAX/CAC both up >2% and Asia, where the Hang Seng continued its recent rally and added another ~3% for the day. Local shares were also higher by ~1.5% in yesterday's trade.
- **S&P sectors.** From a sector standpoint, last night saw all 11 of the S&P's sub-sectors close in the green (even **Energy**, despite an aggressive 5% sell-off in the price of oil). The day's strength was driven by **Real Estate** (+2.3%) and **Financials** (+1.6%) names.
- **In economics,** last night saw the release of FOMC minutes (which lent hawkish, and ultimately saw intraday gains pared), while US ISM manufacturing PMIs were also released and showed a slightly-weather-than-expected print of 48.4 (vs 48.5), being down on 49.0 last month.
- **In currencies,** there were some rather large moves witnessed overnight, with the **DX** lower by 0.4% against a basket of currencies (despite a 1.3% rally vs a very weak **Yen**), while the **AUD** was higher by nearly 2% against the USD on rumours a two-year Chinese ban against local coal exporters was about to be lifted.
- **In other markets,** fixed income rallied with yields lower along the **Treasury** curve – including a 6bp fall in the 10-year, to see it back at just 3.69%, to now be ~20bps below the level at which it entered the year. Elsewhere, the **VIX Index** fell another 4% on account of the day's equity market strength and now sits below a level of 22.
- **Futures sharply higher.** Given the strong lead from Europe and Wall Street overnight, it appears local stocks will open sharply higher when trading commences this morning – with ASX futures up by 59 points, or ~0.9% at the time of writing.

World Indices	Close	Prior	% Δ
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<u>Local Markets</u>			
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All Ordinaries	7,249.1	7,131.1	1.7%
ASX 200	7,059.2	6,946.2	1.6%
ASX Emerging Companies	2,112.4	2,088.0	1.2%

<u>US Markets</u>			
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Dow Jones	33,269.8	33,136.4	0.4%
S&P500	3,853.0	3,824.1	0.8%
Nasdaq	10,458.8	10,387.0	0.7%
Russell 2000	1,772.5	1,761.2	0.6%

<u>Asian & European Markets</u>			
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Shanghai Composite	3,123.5	3,116.5	0.2%
Nikkei	25,716.9	26,094.5	-1.4%
Hang Seng	20,793.1	20,145.3	3.2%
FTSE 100	7,585.2	7,554.1	0.4%
DAX 30	14,490.8	14,181.7	2.2%
CAC 40	6,776.4	6,623.9	2.3%

Economic Releases	Time	F'cast	Prior
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Services PMI	9:00	46.9	47.6
Italy Inflation	21:00	11.6%	11.8%
US Weekly Jobless Claims	0:30		
Fed Speakers x 2	Various		

Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.300	0.270	11.1%
Frontier Energy	0.450	0.425	5.9%
Lotus Resources	0.200	0.190	5.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	73.22	77.12	-5.1%
Gold	1,855.7	1,839.6	0.9%
Gold (Aus)	2,713.2	2,734.4	-0.8%
Silver	23.78	24.01	-1.0%
Uranium (Spot)	48.75	48.75	0.0%
Tin (Futures)	25,005	25,350	-1.4%
Copper	3.741	3.765	-0.6%

Other Markets	Close	Prior	% Δ
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DX Index	104.25	104.68	-0.4%
AUD/USD	0.6839	0.6727	1.7%
VIX Index	21.99	22.90	-4.0%
2-Year Treasury Yield (%)	4.341	4.374	-3 bp
10-Year Treasury Yield (%)	3.687	3.752	-6 bp
US 2-10-Year Spread	-0.654	-0.622	-3 bp