

8 February 2023

Markets end higher in a volatile night of trading, oil rallies 4%

- **Global markets.** It was a volatile night for US equities as Jerome Powell gave mixed messages on the trajectory of futures rate hikes. On the day, the Nasdaq finished up +1.9%, despite rising above +2.0%, falling into the red, before rising again. Other indices followed a similar trajectory as the S&P500 added +1.3% and the Dow Jones and Russell 2000 both gained +0.8%. Elsewhere, Asian and European equities had a much calmer day, with all the indices remaining within +/-0.4%.
- **In sector news, Energy** was the day's biggest contributor to S&P performance, adding >3%, while **Communication Services** and **Info. Technology** contributed +2.5% each. **Consumer Staples** and **Real Estate** were the biggest losers, falling -0.4% and -0.3% respectively.
- **In other markets.** Commodities were broadly up for the day, carried predominantly by **WTI Crude**, which jumped +4.0% on strong China demand outlook. **Gold** remained relatively unchanged while **silver** fell -0.4%. Finally, it was a positive day for battery metals as **tin** and **copper** added +0.4% and +0.7% respectively. In the currency market, the USD depreciated against a basket of goods, causing the **DX** to fall -0.2%. Despite the volatile market today, the **VIX** fell -4.5%, closing below 19.
- **Yields.** Treasury yields had a relatively quiet day compared with equities. The 2-Year remains ~unchanged overnight and the 10-Year added 4bp, resulting in a 4bp increase to the 2-10-year spread, which sits at -80bps currently.
- **Futures.** Following the positive performance of US equities, the ASX is set to rise at the open, with ASX futures up +34 points or +0.5% as of writing.
- **Economics.** A relatively quiet day for economics awaits. The most notable events are the three fed speeches tomorrow morning, being Williams, Barr and Waller.

| World Indices | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

Local Markets

| | | | |
|------------------------|---------|---------|-------|
| All Ordinaries | 7,713.1 | 7,745.9 | -0.4% |
| ASX 200 | 7,504.1 | 7,539.0 | -0.5% |
| ASX Emerging Companies | 2,246.1 | 2,239.6 | 0.3% |

US Markets

| | | | |
|--------------|----------|----------|------|
| Dow Jones | 34,156.7 | 33,891.0 | 0.8% |
| S&P500 | 4,164.0 | 4,111.1 | 1.3% |
| Nasdaq | 12,113.8 | 11,887.5 | 1.9% |
| Russell 2000 | 1,972.6 | 1,957.8 | 0.8% |

Asian & European Markets

| | | | |
|--------------------|----------|----------|-------|
| Shanghai Composite | 3,248.1 | 3,238.7 | 0.3% |
| Nikkei | 27,685.5 | 27,693.7 | 0.0% |
| Hang Seng | 21,298.7 | 21,222.2 | 0.4% |
| FTSE 100 | 7,864.7 | 7,836.7 | 0.4% |
| DAX 30 | 15,320.9 | 15,345.9 | -0.2% |
| CAC 40 | 7,132.4 | 7,137.1 | -0.1% |

| S&P500 Sectors | Close | Prior | % Δ |
|----------------|-------|-------|-----|
|----------------|-------|-------|-----|

| | | | |
|------------------------|---------|---------|------|
| Energy | 676.5 | 656.3 | 3.1% |
| Communication Services | 194.7 | 190.0 | 2.5% |
| Information Technology | 2,505.3 | 2,445.0 | 2.5% |

| Economic Releases | Time | F'cast | Prior |
|-------------------|------|--------|-------|
|-------------------|------|--------|-------|

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|------------------|---------|--|--|
| 3 x Fed Speakers | Various | | |
|------------------|---------|--|--|

| Key BW Names | Close | Prior | % Δ |
|--------------|-------|-------|-----|
|--------------|-------|-------|-----|

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|-----------------|-------|-------|------|
| Lotus Resources | 0.235 | 0.225 | 4.4% |
| Selfwealth | 0.185 | 0.180 | 2.8% |
| Frontier Energy | 0.450 | 0.450 | 0.0% |

| Commodities | Close | Prior | % Δ |
|-------------|-------|-------|-----|
|-------------|-------|-------|-----|

| | | | |
|------------------------|--------|--------|-------|
| Oil - West Texas Crude | 77.37 | 74.37 | 4.0% |
| Gold | 1,872 | 1,869 | 0.1% |
| Gold (Aus) | 2,690 | 2,715 | -0.9% |
| Silver | 22.16 | 22.26 | -0.4% |
| Uranium (Spot) | 50.75 | 50.75 | 0.0% |
| Tin (Futures) | 27,300 | 27,185 | 0.4% |
| Copper | 4.07 | 4.04 | 0.7% |

| Other Markets | Close | Prior | % Δ |
|---------------|-------|-------|-----|
|---------------|-------|-------|-----|

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|----------------------------|--------|--------|-------|
| DX Index | 103.4 | 103.6 | -0.2% |
| AUD/USD | 0.6958 | 0.6886 | 1.0% |
| 2-Year Treasury Yield (%) | 4.475 | 4.475 | 0 bp |
| 10-Year Treasury Yield (%) | 3.680 | 3.643 | 4 bp |
| US 2-10-Year Spread | -0.795 | -0.832 | 4 bp |
| VIX Index | 18.66 | 19.54 | -4.5% |