

9 December 2022

## Stocks higher overnight, oil closes at fresh YTD low, futures +0.5%

- **Global markets.** It was a better night for equities in the US as relatively soft weekly jobless claims data added fuel to the 'recession is coming' fire, which will inevitably force the Fed to pause or reverse its aggressive hiking cycle. For the day all major US indices were higher, led by the Nasdaq (+1.1%), with the Dow (+0.5%) trailing. In Europe stocks were flat-to-down and in Asia the Hang Seng added 3.4% in a continuation of recent China re-opening optimism.
- **From a sector perspective,** 9 of the S&P's 11 sub-sectors closed in the green, with **tech** leading the charge +1.6% and **discretionary** names(+1.1%) not far behind. At the other end of the spectrum, **energy** and **communication services** were the laggards. Notable individual moves included a 7% rally in **Nvidia** and another poor night for the airlines with **Delta** (-2%) and **United** (-3%) both amongst the day's worst performers.
- **Oil hits fresh YTD lows.** The abovementioned recession fears continue to be seen in the price of crude oil, with **WTI crude** closing this morning at just US\$71/bbl – its lowest level since Dec 2021. The price has now fallen by >40% from its 2022 high of US\$122/bbl.
- **In other markets,** the **USD** was weaker against a basket of currencies, which added some support to the broader commodities index (ex-crude), with **gold, silver, copper** and **tin** all higher for the day. Elsewhere, **yields** were higher along the curve – particularly at the long-end – with the 2-year +4bps and 10-year +6bps. This saw the inversion of this measure contract by 2bps to -83bp. And finally, the **VIX Index** lose 2% on account of the day's equity market strength.
- **Futures point higher.** Given the supportive lead from Wall Street, it appears local stocks will open comfortably higher when trading commences this morning – with ASX futures currently ahead by 33 points, or ~0.5% at the time of writing.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,369.4	7,423.2	-0.7%
ASX 200	7,175.5	7,229.4	-0.7%
ASX Emerging Companies	2,146.4	2,147.6	-0.1%

### US Markets

Dow Jones	33,781.5	33,597.9	0.5%
S&P500	3,963.5	3,933.9	0.8%
Nasdaq	11,082.0	10,958.6	1.1%
Russell 2000	1,818.3	1,807.8	0.6%

### Asian & European Markets

Shanghai Composite	3,197.4	3,199.6	-0.1%
Nikkei	27,574.4	27,686.4	-0.4%
Hang Seng	19,450.2	18,814.8	3.4%
FTSE 100	7,472.2	7,489.2	-0.2%
DAX 30	14,264.6	14,261.2	0.0%
CAC 40	6,647.3	6,660.6	-0.2%

Economic Releases	Time	F'cast	Prior
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China Inflation (YoY)	12:30	1.6%	2.1%
China PPI (Yoy)	12:30	-1.4%	-1.3%
US PPI	0:30	0.2%	0.2%
Michigan Cons. Sentiment	2:00	56.9	56.8

Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.340	0.325	4.6%
BetMakers Tech. Group	0.285	0.280	1.8%
Syrah Resources	2.530	2.520	0.4%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	71.76	72.47	-1.0%
Gold	1,789.2	1,785.8	0.2%
Gold (Aus)	2,580.4	2,655.9	-2.8%
Silver	23.07	22.72	1.5%
Uranium (Spot)	48.13	48.00	0.3%
Tin (Futures)	24,500	24,395	0.4%

Currency	Close	Prior	% Δ
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DXY Index	104.79	105.17	-0.4%
AUD/USD	0.6770	0.6724	0.7%
AUD/EUR	0.6414	0.6400	0.2%
AUD/YEN	92.53	91.83	0.8%
AUD/GBP	0.5532	0.5507	0.5%
AUD/NZD	1.0616	1.0582	0.3%
AUD/CAD	0.9203	0.9179	0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	22.29	22.68	-1.7%
2-Year Treasury Yield (%)	4.320	4.275	4 bp
10-Year Treasury Yield (%)	3.486	3.425	6 bp
US 2-10-Year Spread	-0.834	-0.850	2 bp