

9 January 2023

Futures ~1% higher following 'goldilocks' US jobs report on Fri night

- **Futures +1%.** Following a very strong Friday night on Wall Street, it appears local stocks will start the week with a bang, as futures are currently trading higher by 70pts, or ~1%. There will be little in the way of economics today, with building permits and Eurozone employment figures the major news.
- **Global markets on Friday night.** All major indices in the US and Europe finished the week strongly as a goldilocks non-farm payrolls report from the US indicated that a soft-landing is still achievable – the report showed higher-than-expected job growth for December (223k vs 200k), while average hourly earnings came in well under expectations, at 4.6% YoY (vs 5.0% expected) and 0.3% MoM (vs 0.4% expected). The news propelled all US markets up by >2%, led by the Nasdaq which added 2.6% for the day.
- **Commodities strong.** The above positive news for deflationists saw the **USD** fall sharply against other major currencies (-1.2%) and by 1.9% against a strong **AUD**. This in-turn saw **commodities** rally across the spectrum, with **tin, silver, copper** and **gold** all higher by ~2%. Spot **uranium** prices were only higher by 0.5%, although sector ETFs and the SPUT rallied sharply.
- **In other markets,** bond yields were relatively flat despite the sharp movement in other markets (both the 2 and 10-year moved by just ~1bp) and the yield curve remains heavily inverted at -73bps. Elsewhere, the **VIX Index** fell 4%.
- **This week in economics.** Over the balance of this week key events include: a speech from Fed Chair Powell (Wed morning local time), Chinese inflation data (Thu), UK GDP and the week's major event - US inflation figures (both on Fri) – and Michigan consumer sentiment early Saturday morning (local time).

World Indices	Close	Prior	%Δ
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Local Markets

All Ordinaries	7,308.8	7,259.3	0.7%
ASX200	7,109.6	7,063.6	0.7%
ASX Emerging Companies	2,165.9	2,144.0	1.0%

US Markets

Dow Jones	33,630.6	32,930.1	2.1%
S&P500	3,895.1	3,808.1	2.3%
Nasdaq	10,569.3	10,305.2	2.6%
Russell 2000	1,792.8	1,753.2	2.3%

Asian & European Markets

Shanghai Composite	3,157.6	3,155.2	0.1%
Nikkei	25,973.9	25,820.8	0.6%
Hang Seng	20,991.6	21,052.2	-0.3%
FTSE 100	7,699.5	7,633.5	0.9%
DAX 30	14,610.0	14,436.3	1.2%
CAC 40	6,861.0	6,761.5	1.5%

S&P500 Sectors	Close	Prior	%Δ
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Materials	506.4	489.6	3.4%
Information Technology	2,176.9	2,113.6	3.0%
Real Estate	238.1	231.5	2.9%

Economic Releases	Time	F'cast	Prior
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Building Permits	11:30	-1.0%	-6.0%
Eurozone Employment Rates	Various		

Key BW Names	Close	Prior	%Δ
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Alderaan Resources	0.009	0.007	28.6%
BeIMakers Tech. Group	0.290	0.275	5.5%
Lotus Resources	0.200	0.200	0.0%

Commodities	Close	Prior	%Δ
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Oil - West Texas Crude	73.77	73.79	0.0%
Gold	1,869	1,833	2.0%
Gold (Aus)	2,717	2,715	0.1%
Silver	23.83	23.23	2.6%
Uranium (Spot)	49.00	48.75	0.5%
Tin (Futures)	25,350	24,945	1.6%
Copper	3.92	3.83	2.5%

Other Markets	Close	Prior	%Δ
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DXY Index	103.9	105.2	-1.2%
AUD/USD	0.6880	0.6751	1.9%
2-Year Treasury Yield (%)	4.453	4.466	-1 bp
10-Year Treasury Yield (%)	3.721	3.723	0 bp
US 2-10-Year Spread	-0.732	-0.743	1 bp
VIX Index	21.13	21.97	-3.8%