

10 March 2023

Stocks, yields and oil all lower in broad risk-off session, futures -1.2%

- **Global markets.** It was a broad risk-off night for markets as jobless claims and layoffs rose more than expected, while credit concerns engulfed the **Financials** sector, which lost >4% for the day (the **KBW Regional Banking Index** lost 6.4%). At an index level, the Russell was the worst performer overnight – off 2.8% - while the Nasdaq (-2.1%), S&P (-1.8%) and Dow (-1.7%) were also extremely weak.
- **Financials.** From a sector perspective, much of the overnight pain came from the financials sector as crypto lender **Silvergate Capital** announced plans to enter voluntary liquidation, **Silicon Valley Bank** (-60%) announced a re-cap and **JP Morgan** (-5%) was hit with unfavourable Jamie Dimon-related headlines.
- **Yields fall sharply.** In a return to historical asset-correlation behaviour, **bonds** plummeted in-line with the day's risk-off mood, with the 2-year losing nearly 20bps, while the 10-year was also lower by 7bps at the close (the curve flattened to -97bps, from -109bps in the prior session).
- **In other markets,** the price of **gold** and **silver** moved higher (on the abovementioned risk-off sentiment), **commodities** were broadly soft – **oil** **copper** and **tin** all lower over the day. And finally, the **VIX Index** ripped >20% on the day's equity market volatility.
- **Futures -1.2%.** Given the very weak lead from Wall Street, it appears local stocks will open lower when trading commences this morning - with ASX futures currently down 81pts or ~1.2% at the time of writing.
- **Non-farm payrolls.** Today will be a busy day for economics (BOJ interest rate decision, German inflation and multiple UK data releases). However, most eyes will ultimately look to tonight's US non-farm payrolls for market direction – with current expectations looking for 205k job adds and a 3.4% unemployment rate.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,514.4	7,503.9	0.1%
ASX 200	7,311.1	7,307.8	0.0%
ASX Emerging Companies	2,137.3	2,112.9	1.2%

<u>US Markets</u>			
Dow Jones	32,254.9	32,798.4	-1.7%
S&P500	3,918.3	3,992.0	-1.8%
Nasdaq	11,338.4	11,576.0	-2.1%
Russell 2000	1,826.6	1,879.5	-2.8%

<u>Asian & European Markets</u>			
Shanghai Composite	3,276.1	3,283.2	-0.2%
Nikkei	28,623.2	28,444.2	0.6%
Hang Seng	19,925.7	20,051.3	-0.6%
FTSE 100	7,880.0	7,929.9	-0.6%
DAX 30	15,633.2	15,631.9	0.0%
CAC 40	7,315.9	7,324.8	-0.1%

S&P500 Sectors	Close	Prior	% Δ
Consumer Discretionary	1,083.0	1,109.2	-2.4%
Materials	502.1	515.1	-2.5%
Financials	556.1	579.9	-4.1%

Economic Releases	Time	F'cast	Prior
BoJ Rate Decision	14:00	-0.1%	-0.1%
German Inflation	18:00	8.7%	8.7%
UK Data Releases	Various		
US Non-Farm Payrolls	0:30	205k	517k
US Unemployment Rate	0:30	3.4%	3.4%

Key BW Names	Close	Prior	% Δ
Jervois Mining	0.170	0.165	3.0%
Selfwealth	0.185	0.180	2.8%
Frontier Energy	0.190	0.190	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	75.52	76.66	-1.5%
Gold	1,831	1,815	0.9%
Gold (Aus)	2,778	2,751	1.0%
Silver	20.07	20.04	0.1%
Uranium (Spot)	51.13	50.63	1.0%
Tin (Futures)	23,400	23,742	-1.4%
Copper	4.01	4.03	-0.5%

Other Markets	Close	Prior	% Δ
DXY Index	105.3	105.7	-0.4%
AUD/USD	0.6592	0.6599	-0.1%
2-Year Treasury Yield (%)	4.878	5.066	-19 bp
10-Year Treasury Yield (%)	3.909	3.976	-7 bp
US 2-10-Year Spread	-0.969	-1.090	12 bp
VIX Index	22.61	18.65	21.2%