

15 March 2023

US stocks close near their highs as regional banks rally, futures +1%

- **Global markets.** Following Monday night's turmoil in markets, US stocks had a much better session overnight, with all major indices ahead by >1% (the Nasdaq and Russell added ~2%) as CPI came in more-or-less in line with expectations and regional bank stocks and tech rallied.
- **CPI overview.** February's headline CPI print of 6% was in-line with expectations, as was core at 5.5%. However, the MoM core reading of 0.5% showed a slight re-acceleration vs last month and was ahead of 0.4% expected. Core services ex-shelter (the Fed's new favourite metric) also re-accelerated to ~0.4% MoM vs ~0.3% last month.
- **In sector news,** all 11 of the S&P's sub-sectors closed up, led by long-duration **Communication Services** (+2.8%) and **Information Technology** (+2.3%) sectors. **Financials** (+2.2%) were also up strongly following their multi-session rout.
- **Yields up sharply.** Following a >1% collapse in short yields over the past few sessions, the US 2-year rose 27bps overnight, to be sitting at 4.26% currently (still well down on recent highs). The 10-year also rose 11bps, resulting in a -16bp flattening of the curve.
- **In other markets,** it was a bad night for **oil** (-4%) as recession fears weighed on trader sentiment within that sector. Elsewhere, **commodities** had a rough night, with **gold, silver, tin, copper** and **spot uranium** all down. The **USD** was ~flat against a basket of currencies and the **VIX Index** fell 10% on account of the day's equity market strength.
- **Futures +1%.** Following the strong lead from Wall Street, it appears local stocks will open sharply up this morning – with ASX futures currently ahead by 67 points, or ~1%.
- **In economics,** today's major events will include US retail sales and PPI (11:30pm tonight) and Chinese fixed asset investment, IP and retail sales.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,201.1	7,311.0	-1.5%
ASX 200	7,008.9	7,108.8	-1.4%
ASX Emerging Companies	2,048.3	2,089.3	-2.0%

US Markets

Dow Jones	32,155.4	31,819.1	1.1%
S&P500	3,920.6	3,855.8	1.7%
Nasdaq	11,428.2	11,188.8	2.1%
Russell 2000	1,776.9	1,744.3	1.9%

Asian & European Markets

Shanghai Composite	3,245.3	3,268.7	-0.7%
Nikkei	27,222.0	27,833.0	-2.2%
Hang Seng	19,248.0	19,696.0	-2.3%
FTSE 100	7,637.1	7,548.6	1.2%
DAX 30	15,232.8	14,959.5	1.8%
CAC 40	7,141.6	7,011.5	1.9%

S&P500 Sectors	Close	Prior	% Δ
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Communication Services	175.9	171.1	2.8%
Information Technology	2,434.6	2,380.0	2.3%
Financials	537.2	525.6	2.2%

Economic Releases	Time	F'cast	Prior
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China Data Releases	Various		
US PPI	23:30	0.3%	0.7%
US Retail Sales	23:30	-0.3%	3.0%

Key BW Names	Close	Prior	% Δ
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Family Zone Cyber Security	0.180	0.175	2.9%
Hydralyte	0.069	0.069	0.0%
Alderaan Resources	0.007	0.007	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	71.50	74.50	-4.0%
Gold	1,904	1,914	-0.5%
Gold (Aus)	2,848	2,871	-0.8%
Silver	21.68	21.80	-0.6%
Uranium (Spot)	50.38	50.63	-0.5%
Tin (Futures)	22,950	23,210	-1.1%
Copper	4.00	4.04	-0.9%

Other Markets	Close	Prior	% Δ
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DXI Index	103.7	103.6	0.0%
AUD/USD	0.6684	0.6668	0.2%
2-Year Treasury Yield (%)	4.259	3.989	27 bp
10-Year Treasury Yield (%)	3.699	3.586	11 bp
US 2-10-Year Spread	-0.560	-0.403	-16 bp
VIX Index	23.73	26.52	-10.5%