

2 March 2023

## European CPI prints weigh on stocks again overnight, futures ~flat

- **Global markets.** It was yet another poor night for stocks, despite US futures trading higher leading into the open, before ultimately trending lower through much of the cash session and closing just off the lows of the day. For the session, the Nasdaq was the worst performer (-0.7%), while the S&P lost 0.5% and Dow was ~flat. Over in Europe, it was a similar story with German and French markets off ~0.5%.
- **European inflation runs hot.** The major economic news overnight was German CPI for February, with a headline YoY print of 8.7% ahead of expectations for 8.5%, while the MoM measure was also hot – 0.8% vs 0.6%. The reading followed French and Spanish CPI data Monday – with both also coming in above expectations. Italy and the Eurozone as a whole will report tonight.
- **Yields higher.** In other markets, the major story was a continued rise in bond yields across the curve. The 2-year **Treasury** ended the session +8bps at 4.88% (a fresh cycle high), while the 10-year also rose 8bp and briefly crossed through 4%. The yield curve was unchanged at -88bps.
- **In other markets,** energy stocks had a bounce as the price of **oil** rose 1% and broke its recent slew of declines. The **DX** was off 0.5% against a basket of currencies, the **AUD** was slightly higher (0.4%) vs the Dollar. Elsewhere, **commodities** were actually quite strong, with **gold, silver, copper** and **tin** all up over the session. And finally, the **VIX Index** closed ~flat, despite what was a relatively volatile day.
- **Futures ~flat.** Despite the poor lead from Wall Street it appears local stocks will open ~unchanged when trading commences – with ASX futures currently off by just a single point.
- **In economics,** today's major events will include Aus building permits, Eurozone inflation, the ECB's latest policy minutes and weekly jobless claims in the US – which are expected to be broadly in-line with last week.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,546.1	7,548.0	0.0%
ASX 200	7,251.4	7,258.2	-0.1%
ASX Emerging Companies	2,165.4	2,144.0	1.0%

### US Markets

Dow Jones	32,661.8	32,656.7	0.0%
S&P500	3,951.4	3,970.2	-0.5%
Nasdaq	11,379.5	11,455.5	-0.7%
Russell 2000	1,898.4	1,897.0	0.1%

### Asian & European Markets

Shanghai Composite	3,312.4	3,279.6	1.0%
Nikkei	27,516.5	27,445.6	0.3%
Hang Seng	20,619.7	19,785.9	4.2%
FTSE 100	7,914.9	7,876.3	0.5%
DAX 30	15,305.0	15,365.1	-0.4%
CAC 40	7,234.3	7,267.9	-0.5%

S&P500 Sectors	Close	Prior	% Δ
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Energy	650.4	638.0	1.9%
Real Estate	236.2	239.8	-1.5%
Utilities	323.2	328.8	-1.7%

Economic Releases	Time	F'cast	Prior
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Building Permits	11:30	-8.0%	18.5%
Eurozone Core Inflation	21:00	5.3%	5.3%
ECB Meeting Minutes	23:30		
Weekly Jobless Claims	0:30		

Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.185	0.180	2.8%
Lotus Resources	0.210	0.210	0.0%
Elementos	0.275	0.275	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	77.75	77.05	0.9%
Gold	1,837	1,826	0.6%
Gold (Aus)	2,715	2,711	0.2%
Silver	21.00	20.88	0.6%
Uranium (Spot)	50.88	50.88	0.0%
Tin (Futures)	25,300	24,963	1.3%
Copper	4.17	4.09	1.9%

Other Markets	Close	Prior	% Δ
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DX Index	104.4	104.9	-0.5%
AUD/USD	0.6765	0.6735	0.4%
2-Year Treasury Yield (%)	4.878	4.797	8 bp
10-Year Treasury Yield (%)	3.996	3.914	8 bp
US 2-10-Year Spread	-0.882	-0.883	0 bp
VIX Index	20.58	20.70	-0.6%