

20 February 2023

A big week of local earnings ahead, futures point to a ~flat open

- **A big week for earnings.** While futures are trading ~flat to start the week (lower by just a single point), there will be plenty of reporting news which could knock markets one way or another – starting today with **GPT Group, Altium, Bendigo & Adelaide Bank, the A2 Milk Company, IRESS, Ampol and Charter Hall Group** all due.
- **This week in economics.** Key events to watch for this week will include: RBA minutes (tomorrow), global manufacturing PMIs, FOMC minutes (Wed), Japanese and Eurozone inflation data (Thu) and US PCE figures on Friday. US equity markets will be closed tonight for observance of the President's Day holiday.
- **Global markets on Friday night.** It was a mixed close to the week for US equities with the Nasdaq and S&P closing higher, while the Dow and Russell both ended in the red. For the week, the major indices were ~unchanged despite a very hawkish re-pricing of rates, with terminal rate expectations now seen at 5.30% - a fresh cycle high. The market has also begun to price in 60% odds of a rate hike at the Fed's June meeting, up from just 2% at the start of February.
- **From a sector perspective,** Friday night's moves were extremely disparate, with **Consumer Staples** (+1.3%) and **Utilities** (+1.0%) quite strong, while **IT** (-1.2%) was soft on rate concerns and the **Energy** complex was smashed – lower by 3.6% for the day as the price of **oil** continued to trend lower, losing >2% during Friday's session.
- **In other markets,** the **USD** was ~flat, **yields** were actually lower on the day – particularly at the long-end with the 10-year off 5bps. **Commodities** were mixed, with **oil** and **tin** both sharply lower, while **gold, silver, copper** and **uranium** all finished up. And finally, the **VIX Index** lose ~1% and close near its long-run average of ~20.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,620.7	7,552.2	0.9%
ASX 200	7,410.3	7,346.8	0.9%
ASX Emerging Companies	2,200.0	2,181.4	0.9%

<u>US Markets</u>			
Dow Jones	33,696.9	33,826.7	-0.4%
S&P500	4,090.4	4,079.1	0.3%
Nasdaq	11,855.8	11,787.3	0.6%
Russell 2000	1,942.2	1,946.4	-0.2%

<u>Asian & European Markets</u>			
Shanghai Composite	3,249.0	3,224.0	0.8%
Nikkei	27,696.4	27,513.1	0.7%
Hang Seng	20,987.7	20,719.8	1.3%
FTSE 100	8,012.5	8,004.4	0.1%
DAX 30	15,533.6	15,482.0	0.3%
CAC 40	7,366.2	7,347.7	0.3%

S&P500 Sectors	Close	Prior	% Δ
Consumer Staples	769.6	759.8	1.3%
Information Technology	2,438.4	2,467.9	-1.2%
Energy	644.2	668.6	-3.6%

Economic Releases	Time	F'cast	Prior
No major economic news today			

Key BW Names	Close	Prior	% Δ
Frontier Energy	0.440	0.425	3.5%
Lotus Resources	0.225	0.225	0.0%
Jervois Mining	0.205	0.205	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	76.34	78.04	-2.2%
Gold	1,847	1,837	0.6%
Gold (Aus)	2,691	2,670	0.8%
Silver	21.73	21.58	0.7%
Uranium (Spot)	51.75	51.50	0.5%
Tin (Futures)	25,790	26,975	-4.4%
Copper	4.13	4.12	0.2%

Other Markets	Close	Prior	% Δ
DXY Index	103.9	104.0	-0.1%
AUD/USD	0.6863	0.6879	-0.2%
2-Year Treasury Yield (%)	4.617	4.644	-3 bp
10-Year Treasury Yield (%)	3.817	3.863	-5 bp
US 2-10-Year Spread	-0.800	-0.781	-2 bp
VIX Index	20.02	20.17	-0.7%