

13 April 2023

Stocks lower overnight despite softer CPI print, futures ~flat

- Global markets.** After initially trading higher in the pre-market and the early hours of trade, US stocks tumbled in the latter part of the session to close quite sharply in the red. For the day, the Nasdaq was the worst of the majors, off 0.9%, the Russell 2000 was -0.7% and Dow/S&P were ~unchanged. Over in Europe (where markets closed prior to the late-day sell-off), all major indices were green, led by the FTSE at +0.5%.
- Economics.** It was a reasonably busy night for data with US CPI headlining – MoM core/headline prints of 0.4%/0.1% were equal/under expectations, while YoY prints were similarly in-line/below. Elsewhere, FOMC minutes were out and noted that staff expect to see a mild recession this year. Fed members also spoke (Barkin, Daly) and delivered a broadly hawkish tone.
- Yields lower.** Following the softer-than-expected headline CPI print, yields moved lower over the day (albeit closed off their lows). The 2-year ended at 3.97% (down 7bps) after moving as low as 3.90% and the 10-year ended at 3.4%. The yield curve is now inverted to the tune of 57bps (from 60bps).
- In other markets,** the **USD** was lower on the above CPI themes, this in-turn supported **commodity** prices with **oil, gold, silver, tin** and **copper** all up sharply over the day. The **AUD** rallied 0.7% and the **VIX** was essentially unchanged.
- Futures flat.** Despite the weak lead from Wall Street, it appears local stocks will open ~flat when trading commences this morning, with ASX futures off by just 3bps at the time of writing.
- Jobs on deck.** In economics today, local jobs data is out at 11:30am, where expectations are for the unemployment rate to tick up slightly, 3.6% vs 3.5% and for 20k jobs to be added. Elsewhere, German inflation figure, UK GDP, US PPI and US weekly jobless claims data is out.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,538.9	7,504.2	0.5%
ASX 200	7,343.9	7,309.9	0.5%
ASX Emerging Companies	2,142.3	2,141.4	0.0%

US Markets

Dow Jones	33,646.5	33,684.8	-0.1%
S&P500	4,092.0	4,108.9	-0.4%
Nasdaq	11,929.3	12,031.9	-0.9%
Russell 2000	1,773.7	1,786.6	-0.7%

Asian & European Markets

Shanghai Composite	3,327.2	3,313.6	0.4%
Nikkei	28,082.7	27,923.4	0.6%
Hang Seng	20,309.9	20,485.2	-0.9%
FTSE 100	7,824.8	7,785.7	0.5%
DAX 30	15,703.6	15,655.2	0.3%
CAC 40	7,396.9	7,390.3	0.1%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	2,562.3	2,578.0	-0.6%
Communication Services	192.1	193.8	-0.9%
Consumer Discretionary	1,117.1	1,134.6	-1.5%

Economic Releases	Time	F'cast	Prior
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Employment Change	11:30	20k	65k
Unemployment Rate	11:30	3.6%	3.5%
German Inflation	16:00	7.4%	8.7%
UK GDP	16:00	0.3%	0.0%
US PPI	22:30	0.0%	-0.1%
US Weekly Jobless Claims	22:30		

Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.110	0.092	19.6%
Selfwealth	0.190	0.178	6.7%
Frontier Energy	0.450	0.440	2.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	83.06	81.39	2.1%
Gold	2,015	2,003	0.6%
Gold (Aus)	3,008	3,011	-0.1%
Silver	25.50	25.04	1.8%
Uranium (Spot)	51.13	51.13	0.0%
Tin (Futures)	24,145	23,610	2.3%
Copper	4.08	4.03	1.2%

Other Markets	Close	Prior	% Δ
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DXY Index	101.5	102.1	-0.6%
AUD/USD	0.6698	0.6653	0.7%
2-Year Treasury Yield (%)	3.968	4.033	-7 bp
10-Year Treasury Yield (%)	3.400	3.432	-3 bp
US 2-10-Year Spread	-0.568	-0.601	3 bp
VIX Index	19.09	19.10	-0.1%

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