

15 May 2023

Futures flat, Aus jobs and Powell speech the main events this week

- **Futures.** Despite US equities being down as a whole, the ASX is set to rise at the open, with ASX futures up +7 points or +0.1% as of writing. This week, numerous key economic events are set to occur, which may have material impacts on financial markets. Today, 4 Fed members will be presenting, being Bostic, Kashkari, Barkin and Cook. For the rest of the week, some notable economic events include: UK employment data (Tues), Euro GDP figures (Tues), US Retail sales (Tues), Euro Inflation data (Wed) and Australia employment data (Thurs) and a speech the Fed Chair, Jerome Powell, amongst others.
- **Global markets on Friday.** It was a quiet end to the week, as all major US indices remained within 0.5%. The Nasdaq was the weakest performer on the day, losing -0.4%, followed by the S&P500 and small cap Russell 2000 (both -0.2%) and the Dow Jones remained ~flat. For the week, the Nasdaq (+0.5%) was the only index to add value. Elsewhere, European indices traded in the green whilst Asian indices had a mixed performance.
- **In other markets.** It was a weak day for commodities, as **WTI Crude** lost -1.9%, closing at ~\$70/bbl. **Gold** and **silver** were also sold on Friday, losing -0.2% and -0.8% respectively. **Uranium** remained unchanged while **tin** fell -1.3% and **copper** was bid +0.6%. In the currency market, the USD appreciated against a basket of currencies, causing the **DX** to gain +0.6%, leading the **DX** to its best week in 3 months. Finally, the **VIX** added +0.6%, closing at ~17.0.
- **Yields.** Friday was a interesting day for short term yields, as the imminent debt-ceiling crisis caused investors to flood into treasuries expiring before the June 1st. As a result of this, treasuries expiring at the end of May yielded ~3.1% whilst June 1st yields (1 day later) were trading at ~5.3%, 220 basis points more. Yields were sold on Friday, with the short end underperforming. The 2-Year added +9bps while the 10-Year added +7bps, resulting in a +5bp change in the 2-10-Year spread, which sits at -53bps.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,453.2	7,449.7	0.0%
ASX 200	7,256.7	7,251.9	0.1%
ASX Emerging Companies	2,115.8	2,125.9	-0.5%

US Markets

Dow Jones	33,300.6	33,309.5	0.0%
S&P500	4,124.1	4,130.6	-0.2%
Nasdaq	12,284.7	12,328.5	-0.4%
Russell 2000	1,740.9	1,744.7	-0.2%

Asian & European Markets

Shanghai Composite	3,272.4	3,309.6	-1.1%
Nikkei	29,388.3	29,126.7	0.9%
Hang Seng	19,627.2	19,743.8	-0.6%
FTSE 100	7,754.6	7,730.6	0.3%
DAX 30	15,913.8	15,834.9	0.5%
CAC 40	7,414.9	7,381.8	0.4%

Economic Releases	Time	F'cast	Prior
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4 x Fed Speakers	Various		
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Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.027	0.022	22.7%
Elementos	0.150	0.145	3.4%
Frontier Energy	0.420	0.420	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	70.04	71.41	-1.9%
Gold	2,011.1	2,016.0	-0.2%
Gold (Aus)	3,026.6	3,007.6	0.6%
Silver	23.98	24.17	-0.8%
Uranium (Spot)	53.40	53.40	0.0%
Tin (Futures)	24,930	25,250	-1.3%
Copper	3.72	3.70	0.6%

Other Markets	Close	Prior	% Δ
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DX Index	102.71	102.10	0.6%
AUD/USD	0.6645	0.6703	-0.9%
VIX Index	17.03	16.93	0.6%
2-Year Treasury Yield (%)	3.991	3.899	9 bp
10-Year Treasury Yield (%)	3.463	3.389	7 bp
US 2-10-Year Spread	-0.528	-0.574	5 bp