

17 April 2023

Futures +0.2%, JPM +8% on Friday night, yields moving higher again

- **Futures.** Despite the relatively weak performance of US equities on Friday, the ASX is set to rise at the open, with ASX futures up +12 points or +0.2% as of writing. This week, numerous key economic events are due, including a speech from the ECB's Lagarde (tonight), China's GDP figures (Tues), UK employment data and US building permits (Tues) and UK and Euro Inflation data (Wed).
- **Global markets on Friday night.** Friday's trading session saw all major US indices finish in the red. It was the small cap Russell 2000 that had the largest drop, slipping -0.9%, followed by the Dow and S&P 500 (both -0.4%) and the Nasdaq (-0.2%). For the week, indices were broadly up, with the Dow Jones being the best performer – up +1.4%. Elsewhere, Asian and European indices finished in the green, with the Nikkei (+1.2%) the best performer.
- **Sectors.** Positive earnings from some banks sent the **financial** sector soaring, up +1.0% on the day. **JPM** was the standout, rising +7.6%, whilst smaller regional banks dropped back towards the lows after SVB. On the other hand, **real estate** (-1.7%) and **utilities** (-1.1%) were very weak.
- **In other markets.** It was a relatively tame day for commodities, as **WTI Crude** remained ~unchanged on the day, but had its 4th straight week of gains and closed the week at its highest since Nov 2022. **Gold** (-0.1%) held above \$2000/oz and **silver** lost -0.2%. Lastly, battery metals finished up, as **tin** jumped +2.8% and **copper** +0.8%. In the currency market, the USD was flat against a basket of currencies, leaving the **DX** unchanged whilst the AUD/USD depreciated by -1.1%. Finally, volatility fell once again, as the **VIX** lost -4.1%, closing at 17.07, its lowest since pre-covid.
- **Yields.** Yields across the board were higher on Friday, with the short end underperforming. The 2-Year added +13bps – recrossing a 4% yield and the 10-Year jumped +6bps, resulting in a -7bp drop in 2-10-Year spread, which now sits at -58bps.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,560.4	7,520.7	0.5%
ASX 200	7,361.6	7,324.1	0.5%
ASX Emerging Companies	2,161.2	2,135.3	1.2%

US Markets

Dow Jones	33,886.5	34,029.7	-0.4%
S&P500	4,137.6	4,146.2	-0.2%
Nasdaq	12,123.5	12,166.3	-0.4%
Russell 2000	1,781.2	1,796.7	-0.9%

Asian & European Markets

Shanghai Composite	3,338.2	3,318.4	0.6%
Nikkei	28,493.5	28,157.0	1.2%
Hang Seng	20,438.8	20,344.5	0.5%
FTSE 100	7,871.9	7,843.4	0.4%
DAX 30	15,807.5	15,729.5	0.5%
CAC 40	7,519.6	7,480.8	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Financials	547.0	541.3	1.1%
Utilities	350.0	353.9	-1.1%
Real Estate	229.6	233.5	-1.7%

Economic Releases	Time	F'cast	Prior
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ECB's Lagarde Speaks	1:00		
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Key BW Names	Close	Prior	% Δ
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Elementos	0.190	0.180	5.6%
Jervois Mining	0.100	0.096	4.2%
Frontier Energy	0.450	0.443	1.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	82.53	82.50	0.0%
Gold	2,003	2,004	-0.1%
Gold (Aus)	2,986	2,954	1.1%
Silver	25.35	25.39	-0.2%
Uranium (Spot)	51.13	51.13	0.0%
Tin (Futures)	25,125	24,442	2.8%
Copper	4.11	4.08	0.8%

Other Markets	Close	Prior	% Δ
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DX Index	101.6	101.6	0.0%
AUD/USD	0.6708	0.6786	-1.1%
2-Year Treasury Yield (%)	4.099	3.968	13 bp
10-Year Treasury Yield (%)	3.515	3.451	6 bp
US 2-10-Year Spread	-0.584	-0.517	-7 bp
VIX Index	17.07	17.80	-4.1%