

22 May 2023

Futures -0.2% following poor US lead, yields keep grinding higher

- **Futures -0.2%.** Following a lacklustre lead from US equities on Friday, the ASX looks set to slide at the open, with ASX futures down -11 points or -0.15% as of writing. There will be little in the way of major economic news today, with 3 Fed speakers being the highlight.
- **This week in economics.** Over the balance of the week key releases which may have an impact on financial markets include: UK inflation data (Tues), FOMC minutes (Wed), the US PCE Price Index and Durable Goods orders (Thurs) amongst others.
- **Global markets on Friday.** On Friday all major US indices were sold, despite being up for the week. It was the small cap Russell 2000 that lost the most value falling -0.6%. Followed by the Dow Jones (-0.3%), the Nasdaq (-0.2%) and the S&P (-0.1%). For the week, the Nasdaq was the best performer, gaining +2.9%. Elsewhere, European indices were up, whilst Asian indices had a mixed performance. Notably the Nikkei (+0.8%) closed at its highest level since 1990.
- **Yields continue moving higher.** It was a relatively quiet day for US Treasuries as yields extended a week long advance. The 2-Year added +2bps and the 10-Year added +3bps, resulting in a +1 change in the 2-10-Year spread, which now sits at -60 bps. Markets are once again starting to price in a small probability of a hike at the Fed's June meeting.
- **In other markets, WTI Crude** fell -0.5% closing at ~\$71.7/bbl. Precious metals were up for the day, seeing **gold** and **silver** adding 1.1% and 1.5% respectively. **Uranium** remained unchanged while **tin** added 1.8%. In the currency market, the USD depreciated against a basket of currencies, causing the **DXY** to lose -0.3%. Finally, the **VIX** added +4.7% closing at a level of ~16.8.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,471.5	7,427.0	0.6%
ASX 200	7,279.5	7,236.8	0.6%
ASX Emerging Companies	2,097.3	2,079.5	0.9%

US Markets

Dow Jones	33,426.6	33,535.9	-0.3%
S&P500	4,192.0	4,198.1	-0.1%
Nasdaq	12,657.9	12,688.8	-0.2%
Russell 2000	1,773.7	1,784.9	-0.6%

Asian & European Markets

Shanghai Composite	3,283.5	3,297.3	-0.4%
Nikkei	30,808.4	30,573.9	0.8%
Hang Seng	19,450.6	19,727.3	-1.4%
FTSE 100	7,756.9	7,742.3	0.2%
DAX 30	16,275.4	16,163.4	0.7%
CAC 40	7,492.0	7,446.9	0.6%

S&P500 Sectors	Close	Prior	% Δ
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Energy	609.3	604.9	0.7%
Communication Services	208.4	209.4	-0.5%
Consumer Discretionary	1,185.7	1,195.8	-0.8%

Economic Releases	Time	F'cast	Prior
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3 x Fed Speakers	Various		
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Key BW Names	Close	Prior	% Δ
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Syrah Resources	0.980	0.935	4.8%
Hydralyte	0.067	0.066	1.5%
Selfwealth	0.170	0.170	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	71.69	72.06	-0.5%
Gold	1,981	1,958	1.1%
Gold (Aus)	2,977	2,953	0.8%
Silver	23.88	23.52	1.5%
Uranium (Spot)	53.75	53.75	0.0%
Tin (Futures)	25,451	25,010	1.8%
Copper	3.73	3.70	0.9%

Other Markets	Close	Prior	% Δ
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DXY Index	103.2	103.5	-0.3%
AUD/USD	0.6654	0.6631	0.3%
2-Year Treasury Yield (%)	4.279	4.260	2 bp
10-Year Treasury Yield (%)	3.682	3.651	3 bp
US 2-10-Year Spread	-0.597	-0.609	1 bp
VIX Index	16.81	16.05	4.7%