

24 April 2023

Markets ~flat on Friday despite debt ceiling concerns, CPI due on Wed

- **Futures slightly lower.** Following a relatively poor Friday night lead from Wall Street, it appears local stocks will open lower when trading commences this morning – with ASX futures currently off by 8bp or ~0.1% at the time of writing. In economic news, today's major (and only) release of note will be the German business climate index at 6pm tonight.
- **This week in economics.** Locally, the key news item this week will be the release of CPI on Wed, which will be all-important for the upcoming RBA meeting in May (which is more-or-less a coin toss at this stage), while internationally key events will include: US and German consumer confidence and durable goods (Wed), US GDP (Thu) and a BOJ rate decision, Inflation/unemployment data across Europe and US PCE (Fri).
- **Global markets on Friday night.** It was another lacklustre session in the US on Friday, with literally all major indices closing higher by 0.1%. In Europe it was a stronger showing (markets rising ~0.5%), yet hardly robust.
- **In other markets,** the **AUD** broke sharply lower and closed below US67c (66.95c), while the **USD** itself was only slightly up vs a basket of currencies. Elsewhere, **yields** moved higher (~3-4bps along the curve), the **VIX Index** fell 2% and **commodities** were a mixed bag, with **uranium** and **oil** gaining (the former for the first time in weeks), while **silver**, **gold**, **copper** and **tin** were all lower. **Bitcoin** and other **cryptocurrencies** were sold off sharply.
- **Debt ceiling remains a concern.** The other major focus in markets remains the pending US fiscal cliff which some are now speculating will come sooner than many imagined, as tax receipts month-to-date are well below last year. This US default risk has also resulted in a sharp 'kink' in the Treasury curve, with bills maturing within a month being bid sharply at the expense of longer-dated bonds.

World Indices	Close	Prior	% Δ
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<u>Local Markets</u>			
All Ordinaries	7,523.0	7,555.4	-0.4%
ASX 200	7,330.4	7,362.2	-0.4%
ASX Emerging Companies	2,141.9	2,153.7	-0.5%

<u>US Markets</u>			
Dow Jones	33,809.0	33,786.6	0.1%
S&P500	4,133.5	4,129.8	0.1%
Nasdaq	12,072.5	12,059.6	0.1%
Russell 2000	1,791.5	1,789.7	0.1%

<u>Asian & European Markets</u>			
Shanghai Composite	3,301.3	3,367.0	-2.0%
Nikkei	28,564.4	28,657.6	-0.3%
Hang Seng	20,075.7	20,397.0	-1.6%
FTSE 100	7,914.1	7,902.6	0.1%
DAX 30	15,881.7	15,796.0	0.5%
CAC 40	7,577.0	7,538.7	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Consumer Discretionary	1,150.5	1,136.8	1.2%
Consumer Staples	798.7	792.7	0.8%
Materials	508.0	512.7	-0.9%

Economic Releases	Time	F'cast	Prior
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German Business Climate	18:00	94.0	93.3
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Key BW Names	Close	Prior	% Δ
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Frontier Energy	0.445	0.425	4.7%
Family Zone Cyber Security	0.175	0.170	2.9%
Lotus Resources	0.185	0.185	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	77.69	77.29	0.5%
Gold	1,983	2,004	-1.1%
Gold (Aus)	2,962	2,973	-0.4%
Silver	25.08	25.29	-0.8%
Uranium (Spot)	51.50	51.13	0.7%
Tin (Futures)	26,400	26,650	-0.9%
Copper	3.99	4.02	-0.8%

Other Markets	Close	Prior	% Δ
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DXY Index	101.7	101.6	0.2%
AUD/USD	0.6695	0.6742	-0.7%
2-Year Treasury Yield (%)	4.179	4.144	4 bp
10-Year Treasury Yield (%)	3.568	3.534	3 bp
US 2-10-Year Spread	-0.611	-0.610	0 bp
VIX Index	16.77	17.17	-2.3%