

24 May 2023

US stocks sold-off overnight on debt ceiling concerns, futures -0.5%

- **Global markets.** It was a day of selling for US equities, as debt ceiling concerns continued to weigh on indices. The tech heavy Nasdaq was the biggest loser overnight, falling 1.3%, its worst day this month. The S&P 500 and Dow Jones lost -1.1% and -0.7% respectively while the small cap Russell 2000 only slipped -0.4%. Elsewhere, both Asian and European indices also traded in the red.
- **S&P by sector.** Energy was on the only sector of the S&P which closed in the green, adding +1.1% for the session. On other hand, 10 of the other 11 sectors lost value, with **Materials, Information Technology** and **Communication Services** all falling -1.5%.
- **Futures -0.5%.** Following the weak performance of US equities overnight, the ASX looks set to fall at the open, with ASX futures down -35 points or -0.5% as of writing.
- **In other markets, WTI Crude** rallied overnight, up +2.4% and closing at \$73.7/bbl. Precious metals had a mixed performance as **gold** added +0.2% whilst **silver** fell -0.7%. **Uranium** crept higher, adding 0.5% and hitting \$54/lb. Lastly, battery metals were sold as **tin** lost -2.9% and **copper** -1.0%. In the currency market, the USD appreciated against a basket of currencies, causing the **DX** to add +0.3%, closing at 103.5. Finally, the **VIX** surged higher, jumping +7.7% to close at ~18.5.
- **Economics.** A busy day of economic data awaits, as numerous events, both domestic and overseas, may have material impacts on markets. In Australia, the Westpac Leading Index will be released at 11am, whilst overseas, some of the key events include; the UK Core Inflation data, a speech from ECB's Lagarde and FOMC minutes.
- **Yields.** It was a quiet day for US Treasuries, with the 2-Year remaining unchanged and the 10-Year down -2bps, resulting in a -2bp change in the 2-10-Year curve, which now sits at -62bps.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,447.4	7,450.7	0.0%
ASX 200	7,259.9	7,263.3	0.0%
ASX Emerging Companies	2,065.6	2,071.9	-0.3%

US Markets

Dow Jones	33,055.5	33,286.6	-0.7%
S&P500	4,145.6	4,192.6	-1.1%
Nasdaq	12,560.3	12,720.8	-1.3%
Russell 2000	1,787.7	1,795.4	-0.4%

Asian & European Markets

Shanghai Composite	3,246.2	3,296.5	-1.5%
Nikkei	30,957.8	31,086.8	-0.4%
Hang Seng	19,431.3	19,678.2	-1.3%
FTSE 100	7,763.0	7,771.0	-0.1%
DAX 30	16,152.9	16,224.0	-0.4%
CAC 40	7,378.7	7,478.2	-1.3%

S&P500 Sectors	Close	Prior	% Δ
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Communication Services	207.7	210.8	-1.5%
Information Technology	2,730.5	2,772.0	-1.5%
Materials	484.5	492.0	-1.5%

Economic Releases	Time	F'cast	Prior
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Westpac Leading Index	11:00		-0.01%
RBNZ Rate Decision	12:00	5.50%	5.25%
UK Core Inflation	16:00	6.2%	6.2%
Ifo Business Climate	18:00	93.0	93.6
ECB's Lagarde Speaks	3:45		
FOMC Minutes	4:00		

Key BW Names	Close	Prior	% Δ
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Prospech Ltd	0.044	0.038	15.8%
Jervois Mining	0.100	0.095	5.3%
Frontier Energy	0.445	0.435	2.3%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	73.69	71.99	2.4%
Gold	1,976	1,972	0.2%
Gold (Aus)	2,988	2,964	0.8%
Silver	23.46	23.63	-0.7%
Uranium (Spot)	54.00	53.75	0.5%
Tin (Futures)	24,235	24,950	-2.9%
Copper	3.64	3.68	-1.0%

Other Markets	Close	Prior	% Δ
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DX Index	103.5	103.2	0.3%
AUD/USD	0.6612	0.6652	-0.6%
2-Year Treasury Yield (%)	4.320	4.320	0 bp
10-Year Treasury Yield (%)	3.701	3.719	-2 bp
US 2-10-Year Spread	-0.619	-0.601	-2 bp
VIX Index	18.53	17.21	7.7%