

29 May 2023

## Tech (+2.7%) drives US markets higher again Fri night, futures +1%

- **Futures +1%.** Given another strong lead from Wall Street, it appears local stocks will open comfortably higher when trading commences this morning – with ASX futures currently ahead by 70 points, or ~1%. There will be no major economic news today, while US markets are closed tonight for observance of the Memorial Day holiday. It is also worth noting – a deal on the US debt ceiling appears to have been agreed in principle over the weekend – which may further buoy investor sentiment today.
- **This week in economics.** Over the balance of this week, key economic releases will include: Eurozone economic sentiment readings (Tue), US consumer confidence, Chinese Manufacturing PMIs, European employment and inflation data (Wed), global PMIs, ECB policy minutes, Eurozone core inflation and US ISM manufacturing PMIs (Tue, being the 1<sup>st</sup> day of a new month) and US non-farm payrolls, Friday night (local time). As usual, there will be a host of Fed and other central banker speakers over the week.
- **Tech drives markets again on Friday.** Friday night was a repeat of what we've seen in recent sessions, with US tech stocks rocketing higher and dragging the general market with them. For the session, the Nasdaq rose +2.2%, the **Information Technology** (+2.7%) sector was best performing of the S&P's 11 sub-sectors and **Meta**, **Amazon** and **Netflix** each individually rose 4% or more. Other key US indices rose by ~1% as did European major indices.
- **Yields rise again.** The abovementioned rally in tech came in the face of rising yields – with the short-end of the curve higher again – the 2-year popped 3bps to 4.57%. The long-end was more-subdued, with the 10-year off 1bp, resulting in a further inverting of the yield curve, which now sits at -76bps.
- **In other markets**, it was a solid session for the major **commodities** as the **USD** ended unchanged. **Silver**, **oil**, **gold**, **copper** and **tin** were all higher. Elsewhere, the **VIX Index** fell 6% to a level <18 on account of the day's equity market strength (amongst others).

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,334.5	7,316.7	0.2%
ASX 200	7,154.8	7,138.2	0.2%
ASX Emerging Companies	2,019.1	2,017.2	0.1%

<u>US Markets</u>			
Dow Jones	33,093.3	32,764.7	1.0%
S&P500	4,205.5	4,151.3	1.3%
Nasdaq	12,975.7	12,698.1	2.2%
Russell 2000	1,773.0	1,754.6	1.0%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,212.5	3,201.3	0.4%
Nikkei	30,916.3	30,801.1	0.4%
Hang Seng	18,746.9	18,746.9	0.0%
FTSE 100	7,627.2	7,570.9	0.7%
DAX 30	15,984.0	15,793.8	1.2%
CAC 40	7,319.2	7,229.3	1.2%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	2,910.0	2,834.1	2.7%
Consumer Discretionary	1,190.0	1,162.4	2.4%
Communication Services	210.9	207.4	1.7%

Economic Releases	Time	F'cast	Prior
-------------------	------	--------	-------

No major economic news today

Key BW Names	Close	Prior	% Δ
Selfwealth	0.180	0.160	12.5%
Syrah Resources	0.860	0.855	0.6%
Lotus Resources	0.170	0.170	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	72.67	71.89	1.1%
Gold	1,945	1,942	0.1%
Gold (Aus)	2,979	2,985	-0.2%
Silver	23.29	22.72	2.5%
Uranium (Spot)	54.38	54.38	0.0%
Tin (Futures)	24,900	24,600	1.2%
Copper	3.68	3.60	2.2%

Other Markets	Close	Prior	% Δ
DXY Index	104.3	104.2	0.0%
AUD/USD	0.6527	0.6506	0.3%
2-Year Treasury Yield (%)	4.568	4.537	3 bp
10-Year Treasury Yield (%)	3.810	3.823	-1 bp
US 2-10-Year Spread	-0.758	-0.714	-4 bp
VIX Index	17.95	19.14	-6.2%