

4 May 2023

Fed hikes another 25bps, Pacwest falls ~60% A/Hs, futures -0.5%

- Fed raises another 25bp. The big news overnight was of course the latest Fed rate decision out of the US where to nobody's surprise the benchmark rate was hiked by 25bps. In his subsequent press conference, Chair Powell attempted to remain as hawkish as possible stating "a decision on a pause was not made today' and further noting "it would not be appropriate to cut rates" with inflation where it stands today. Nevertheless, yields moved lower.
- Market reaction. Given the Fed's decision and hawkish commentary were largely expected, the moves in equity markets overnight were modest, with the Dow -0.8%, S&P -0.7% and Nasdaq -0.5%. Yields were also unperturbed following the decision but ultimately collapsed late in the day on yet more banking concerns (below). For the day, the 2-year and 10-year yields fell 15bp and 9bp respectively.
- Pacwest down 58% after-hours. Following severe selling in the prior session, shares of Pacwest were only modestly lower during the overnight session (-2%), although after the close the bank announced it was weighing up options including a sale. This news sent its shares -58%, weighed on bond yields, and many other banking names, including Western Alliance (-28%), Bank Ozk (-6%), US Bancorp (-3%), Citizens Financial (-5%), Truist Financial (-4%) and others.
- In other markets, there were some major moves in commodities, including Oil -7%, Gold +2%, Tin +2% and Silver +2%. Copper and Uranium were virtually unchanged. Elsewhere, the USD slipped slightly and the VIX was +3% higher.
- Futures down 0.5%. Given a poor lead from Wall Street, it appears local stocks will open lower when trading commences this morning – with ASX futures off by 35 points, or ~0.5%. In economic news, major events today will include the ECB rate decision and PMIs from regions including Italy, France, Germany and the Eurozone broadly.

World Indices	Close	Prior	%Δ
World maioco	01030	1 1101	70 💆
<u>Local Markets</u>			
All Ordinaries	7,389.0	7,459.8	-0.9%
ASX 200	7,197.4	7,267.4	-1.0%
ASX Emerging Companies	2,123.9	2,133.5	-0.4%
US Markets			
Dow Jones	33,414.2	33,684.5	-0.8%
S&P500	4,090.8	4,119.6	-0.7%
Nasdaq	12,025.3	12,080.5	-0.5%
Russell 2000	1,739.3	1,732.1	0.4%
Asian & European Markets			
Shanghai Composite	3,323.3	3,323.3	0.0%
Nikkei	29,158.0		0.0%
Hang Seng	19,699.2	19,933.8	-1.2%
FTSE 100	7,788.4	7,773.0	0.2%
DAX 30	15,815.1		0.6%
CAC 40	7,403.8	7,383.2	0.3%
S&P500 Sectors	Close	Prior	%Δ
Materials	496.5	502.1	-1.1%
Financials	530.9	537.3	-1.2%
Energy	607.4	619.3	-1.9%
Economic Releases	Time	F'cast	Prior
Aus Balance of Trade	11:30	A\$12.7b	A\$13.9b
Aus Balance of Trade Global PMIs	11:30 Various	A\$12.7b	A\$13.9b
		A\$12.7b 3.75%	A\$13.9b 3.50%
Global PMIs	Various		
Global PMIs ECB Rate Decision ECB Press Conference	Various 22:15		
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names	Various 22:15 22:45 Close	3.75% Prior	3.50% % \Delta
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos	Various 22:15 22:45 Close 0.145	3.75% Prior 0.140	3.50% % ∆ 3.6%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security	Various 22:15 22:45 Close 0.145 0.170	3.75% Prior 0.140 0.165	3.50% % Δ 3.6% 3.0%
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Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources	Various 22:15 22:45 Close 0.145 0.170 0.185 Close	3.75% Prior 0.140 0.165 0.180 Prior	3.50% % \(\Delta \) 3.6% 3.0% 2.8%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80	3.75% Prior 0.140 0.165 0.180 Prior 71.53	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus)	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot)	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0%
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Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Copper	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30 26,510 3.83	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30 26,088 3.87	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0% 1.6% -0.9%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures)	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30 26,510	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30 26,088	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0% 1.6%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Copper Other Markets DXY Index	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30 26,510 3.83 Close	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30 26,088 3.87	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0% 1.6% -0.9%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Copper Other Markets DXY Index AUD/USD	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30 26,510 3.83 Close	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30 26,088 3.87 Prior	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0% 1.6% -0.9% % \(\Delta \)
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Copper Other Markets DXY Index AUD/USD 2-Year Treasury Yield (%)	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30 26,510 3.83 Close	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30 26,088 3.87 Prior 101.6	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0% 1.6% -0.9% % \(\Delta \) -0.3%
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Copper Other Markets DXY Index AUD/USD 2-Year Treasury Yield (%) 10-Year Treasury Yield (%)	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30 26,510 3.83 Close 101.2 0.6651	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30 26,088 3.87 Prior 101.6 0.6665	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0% 1.6% -0.9% % \(\Delta \) -0.3% -0.2% -15 bp -9 bp
Global PMIs ECB Rate Decision ECB Press Conference Key BW Names Elementos Family Zone Cyber Security Lotus Resources Commodities Oil - West Texas Crude Gold Gold (Aus) Silver Uranium (Spot) Tin (Futures) Copper Other Markets DXY Index AUD/USD 2-Year Treasury Yield (%)	Various 22:15 22:45 Close 0.145 0.170 0.185 Close 66.80 2,060 3,098 25.75 53.30 26,510 3.83 Close 101.2 0.6651 3.838	3.75% Prior 0.140 0.165 0.180 Prior 71.53 2,016 3,024 25.35 53.30 26,088 3.87 Prior 101.6 0.6665 3.992	3.50% % \(\Delta \) 3.6% 3.0% 2.8% % \(\Delta \) -6.6% 2.2% 2.4% 1.6% 0.0% 1.6% -0.9% % \(\Delta \) -0.3% -0.2% -15 bp

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