

5 May 2023

Regional banks weigh on sentiment again overnight, US jobs tonight

- **Global markets.** It was more of the same from markets overnight, with all key US indices lower by ~1% as poor economic data combined with ongoing banking sector concerns saw a broad-based flight to safety. For the session, the Russell 1000 (over-indexed to banks) was the worst performer, down 1.2%. European indices were also lower by ~1%.
- **Banks remain under pressure.** Last night's major bank moves came again from **Pacwest** (-51%) and **Western Alliance** (-38%) – the latter was down by as much as ~60% at one stage on reports from the FT that it was hired advisors to assess its options (these were subsequently disputed). The key **S&P Regional Banking ETF** was -5% as a whole.
- **Apple earnings.** In other news, **Apple** released its Q2 results after-market this morning, with beats on both the top and bottom line. Guidance for Q3 is for revenue growth to remain similar to Q2 (ie. slightly lower), while the company also announced a fresh \$90bn buyback. Shares are trading 2% higher after-hours.
- **In other markets,** the price of oil was slightly stronger last night, +3%, after being battered for the past few weeks. Elsewhere, the **USD** was flat, **gold** and **tin** lower, **silver** and **copper** higher and yields mixed – with the 2-year closing -3bps but going as low as 3.60% (-23bps) intraday on banking worries. Finally, the **VIX** continues to grind higher, adding another 10% last night to close above 20.
- **Futures 0.4% lower.** Given the poor lead from Wall Street, it appears local stocks will open lower again this morning, with ASX futures currently off by 29 points, or ~0.4% at the time of writing. The RBA's SoMP will be the major local news.
- **US jobs out tonight.** Being the first Friday of the month, US non farm payrolls are out tonight – with expectations looking for 180k jobs (down from 236k in April) and an unemployment rate of 3.6% (+0.1% MoM).

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,388.2	7,389.0	0.0%
ASX 200	7,193.1	7,197.4	-0.1%
ASX Emerging Companies	2,123.9	2,123.9	0.0%

US Markets

Dow Jones	33,127.7	33,414.2	-0.9%
S&P500	4,061.2	4,090.8	-0.7%
Nasdaq	11,966.4	12,025.3	-0.5%
Russell 2000	1,718.8	1,739.3	-1.2%

Asian & European Markets

Shanghai Composite	3,350.5	3,323.3	0.8%
Nikkei	29,158.0	29,158.0	0.0%
Hang Seng	19,948.7	19,699.2	1.3%
FTSE 100	7,702.6	7,788.4	-1.1%
DAX 30	15,734.2	15,815.1	-0.5%
CAC 40	7,340.8	7,403.8	-0.9%

S&P500 Sectors	Close	Prior	% Δ
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Energy	600.7	607.4	-1.1%
Financials	524.1	530.9	-1.3%
Communication Services	191.8	194.3	-1.3%

Economic Releases	Time	F'cast	Prior
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RBA SoMP	11:30		
US Non-Farm Payrolls	22:30	180k	236k
Unemployment Rate	22:30	3.6%	3.5%

Key BW Names	Close	Prior	% Δ
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Elementos	0.145	0.140	3.6%
Prospect Limited	0.034	0.033	3.0%
Frontier Energy	0.435	0.425	2.4%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	68.74	66.80	2.9%
Gold	2,049	2,060	-0.6%
Gold (Aus)	3,059	3,098	-1.3%
Silver	26.06	25.75	1.2%
Uranium (Spot)	53.30	53.30	0.0%
Tin (Futures)	25,690	26,088	-1.5%
Copper	3.86	3.83	0.7%

Other Markets	Close	Prior	% Δ
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DXY Index	101.5	101.6	-0.1%
AUD/USD	0.6699	0.6651	0.7%
2-Year Treasury Yield (%)	3.805	3.838	-3 bp
10-Year Treasury Yield (%)	3.377	3.343	3 bp
US 2-10-Year Spread	-0.428	-0.495	7 bp
VIX Index	20.09	18.34	9.5%