

8 May 2023

Futures +1% following sharp Friday night rally, US CPI due this week

- **Futures +1%.** Following the strong performance of US markets on Friday, the ASX is set to rise at the open, with ASX futures up +64 points or +0.9% as of writing. Some important economic events are occurring over this week, including: US Inflation data (Wed), China inflation data (Thurs), US PPI data (Thurs) and UK GDP figures (Fri) amongst others.
- **Global markets on Friday.** It was a strong end to the week for all US indices, with all gaining >1.5%. The small cap Russell 2000 led the charge, adding a strong +2.4%, followed by the Nasdaq (+2.2%), S&P500 (+1.8%) and the Dow Jones (+1.7%). For the week, the Nasdaq was the strongest performer, remaining ~flat, with the Dow off -1.4%. Elsewhere, European indices had a strong session while Asian indices were more modest.
- **Apple and the banks drive gains.** It was **Apple's** strong earnings results which helped drive markets on Friday, with the stock up by over 4% for the day. Indeed, regional banks bounced back emphatically, with moves such as **Pacwest**, adding +82% on the day and up >100% intraday and **Western Alliance** +49%.
- **In other markets,** it was a mixed session for key commodities, with **WTI Crude** surging +4.5% on Friday while **gold** lost -1.6%, closing the week at \$2,105/oz, just shy of a record weekly closing high. **Silver** also fell -1.7%, as did **tin** (-0.2%) while **copper** added +0.8%. In the currency sector, the USD depreciated against a basket of currencies, causing the **DXY** to slide -0.3%, and the AUD/USD to jump +0.8%. Finally, the **VIX** fell considerably, losing -14.4% on Friday to close at a level of just 17 and well below its long-run average of ~20.
- **Yields.** Bonds were sold-off across the board on Friday, given a strong NFP print from the US – the 2-Year added +11bps and the 10-Year added 6bps, resulting in a -5bp change in the 2-10-year curve.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,413.1	7,388.2	0.3%
ASX 200	7,220.0	7,193.1	0.4%
ASX Emerging Companies	2,128.2	2,123.9	0.2%

US Markets

Dow Jones	33,674.4	33,127.7	1.7%
S&P500	4,136.3	4,061.2	1.8%
Nasdaq	12,235.4	11,966.4	2.2%
Russell 2000	1,759.9	1,718.8	2.4%

Asian & European Markets

Shanghai Composite	3,334.5	3,350.5	-0.5%
Nikkei	29,158.0	29,158.0	0.0%
Hang Seng	20,049.3	19,948.7	0.5%
FTSE 100	7,778.4	7,702.6	1.0%
DAX 30	15,961.0	15,734.2	1.4%
CAC 40	7,432.9	7,340.8	1.3%

S&P500 Sectors	Close	Prior	% Δ
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Energy	617.1	600.7	2.7%
Information Technology	2,665.9	2,595.5	2.7%
Financials	536.8	524.1	2.4%

Economic Releases	Time	F'cast	Prior
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Aus Building Permits (MoM)	11:30		4.0%
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Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.110	0.100	10.0%
Lotus Resources	0.185	0.180	2.8%
Frontier Energy	0.440	0.435	1.1%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	71.82	68.74	4.5%
Gold	2,015	2,049	-1.6%
Gold (Aus)	2,984	3,059	-2.4%
Silver	25.63	26.06	-1.7%
Uranium (Spot)	53.30	53.30	0.0%
Tin (Futures)	26,045	26,088	-0.2%
Copper	3.89	3.86	0.8%

Other Markets	Close	Prior	% Δ
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DXY Index	101.3	101.6	-0.3%
AUD/USD	0.6753	0.6699	0.8%
2-Year Treasury Yield (%)	3.918	3.805	11 bp
10-Year Treasury Yield (%)	3.435	3.377	6 bp
US 2-10-Year Spread	-0.483	-0.428	-5 bp
VIX Index	17.19	20.09	-14.4%