

14 June 2023

In-line CPI sends US stocks surging again, Tesla up for a 13th day

- Global markets.** The melt-up in US stocks continued overnight – and was broad-based this time – with all major indices higher in a range of 0.4% (Dow) to 1.2% (Russell). The day's performance wasn't driven by a particular part of the market with sectors as diverse as AI – **Nvidia** (+4%) and **C3.ai** (+15%) were out in front – and **Materials** (+2.3%) and **Industrials** (+1.2%) amongst the best performers. The latter names were higher on news that China would look to cut interest rates.
- In economics,** last night was heavily focused on CPI from the US – where **headline** was below estimates at 4.0% vs 4.1%, while **core** was in-line (at 5.3% YoY and 0.4% MoM). Stocks initially rallied on the print, before selling off at the cash open, then ultimately rallying again throughout the remainder of the day to close near the highs.
- In other markets,** fixed income traders took the CPI print as hawkish, with **Treasury** yields up right along the curve – by 10bps for the 2-year and 9bps for the 10-year. The **USD** was unmoved (-0.3%) and **silver** and **gold** were each sold off (-1.6% and -0.7% each). Elsewhere, **industrial commodities** had a decent night with **tin** and **copper** both comfortably higher, while **uranium** was flat and the **VIX Index** fell 3%.
- Fed decision tonight.** It will be another big night of economic releases, headlined by the Fed's latest rate decision (at 4am local time tomorrow). Expectations are for a 'pause' at 5.00%-5.25%, while markets will also be paying attention to the FOMC's release of economic projections and Fed Chair Powell's press conference following the release. In other parts of the world – the UK will drop GDP, construction and industrial production data, while US PPI figures are also due.
- Futures +0.6%.** Given the strong lead yet again from Wall Street, it appears local stocks will open strongly when trading commences this morning – with ASX futures currently ahead by 42 points, or 0.6% at the time of writing.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,329.1	7,312.3	0.2%
ASX 200	7,138.9	7,122.5	0.2%
ASX Emerging Companies	2,043.6	2,041.4	0.1%

<u>US Markets</u>			
Dow Jones	34,212.1	34,066.3	0.4%
S&P500	4,369.0	4,338.9	0.7%
Nasdaq	13,573.3	13,461.9	0.8%
Russell 2000	1,896.3	1,873.2	1.2%

<u>Asian & European Markets</u>			
Shanghai Composite	3,233.7	3,228.8	0.1%
Nikkei	33,018.7	32,434.0	1.8%
Hang Seng	19,521.4	19,404.3	0.6%
FTSE 100	7,594.8	7,570.7	0.3%
DAX 30	16,230.7	16,097.9	0.8%
CAC 40	7,290.8	7,270.7	0.3%

S&P500 Sectors	Close	Prior	% Δ
Materials	509.42	497.8	2.3%
Industrials	879.6	869.5	1.2%
Consumer Discretionary	1,293.7	1,280.8	1.0%

Economic Releases	Time	F'cast	Prior
UK Data Releases	16:00		
US PPI	22:30	-0.1%	0.2%
FOMC Economic Projections	4:00		
Fed Rate Decision	4:00	5.25%	5.25%
Fed Press Conference	4:30		

Key BW Names	Close	Prior	% Δ
Lotus Resources	0.200	0.185	8.1%
Qoria	0.220	0.210	4.8%
Prospect Ltd	0.050	0.048	4.2%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	69.42	67.40	3.0%
Gold	1,943	1,958	-0.7%
Gold (Aus)	2,872	2,899	-0.9%
Silver	23.67	24.06	-1.6%
Uranium (Spot)	57.75	57.75	0.0%
Tin (Futures)	26,045	25,910	0.5%
Copper	3.83	3.75	2.0%

Other Markets	Close	Prior	% Δ
DXY Index	103.3	103.6	-0.3%
AUD/USD	0.6768	0.6753	0.2%
2-Year Treasury Yield (%)	4.677	4.581	10 bp
10-Year Treasury Yield (%)	3.827	3.740	9 bp
US 2-10-Year Spread	-0.850	-0.841	-1 bp
VIX Index	14.61	15.01	-2.7%