

5 June 2023

Broad-based Friday night rally sees futures +1%, Russell 2000 +3.6%

- **Futures.** Following the strong performance of US equities on Friday, the ASX is set to rise at the open, with ASX futures up +76 points or +1.1% as of writing.
- **This week in economics.** A busy week for economic news awaits, both locally and internationally. Within Australia, the RBA rate decision (Tues) and GDP figures (Wed) will be released. Internationally, US ISM Services PMIs (Tues), Euro GDP figures (Thurs) and China Inflation data (Fri) and some of the many economic events this week.
- **Global markets on Friday.** It was an emphatic end to the week on Friday, as rumours of China considering real estate stimulus then positive payroll data sent all major US indices convincingly into the green. It was the small cap Russell 2000 that led the change, adding +3.6% on the day, followed by the Dow Jones (+2.1%), S&P500 (+1.5%) and the Nasdaq (+1.1%). For the week, all 4 indices added over +2%.
- **In other markets,** it was a mixed day for commodities, as **WTI Crude** surged +5.5% on the China headlines, while precious metals were sold, **gold** and **silver** fell -1.4% and -1.8% respectively. **Uranium** continued its upwards trend, adding another +\$0.5/lb, while **tin** and **copper** also finished in the green. In the currency market, the USD appreciated against a basket of currencies, causing the **DX** to rise +0.5% and closing at ~104.1. Finally, the **VIX** slipped considerably, closing at 14.6, its lowest level since Feb 2020.
- **Yields.** It was a busy day for Treasury market, as rate hike expectations surged hawkishly. On the day, the 2-Year added +17bps and the 10-Year added +10bps, resulting in a -8bp change in the 2-10-Year spread.

World Indices	Close	Prior	% Δ
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<u>Local Markets</u>			
All Ordinaries	7,331.2	7,290.7	0.6%
ASX 200	7,145.1	7,110.8	0.5%
ASX Emerging Companies	2,057.9	2,021.4	1.8%

<u>US Markets</u>			
Dow Jones	33,762.8	33,061.6	2.1%
S&P500	4,282.4	4,221.0	1.5%
Nasdaq	13,240.8	13,101.0	1.1%
Russell 2000	1,830.9	1,767.9	3.6%

<u>Asian & European Markets</u>			
Shanghai Composite	3,230.1	3,204.6	0.8%
Nikkei	31,524.2	31,148.0	1.2%
Hang Seng	18,949.9	18,216.9	4.0%
FTSE 100	7,607.3	7,490.3	1.6%
DAX 30	16,051.2	15,853.7	1.2%
CAC 40	7,270.7	7,137.4	1.9%

Economic Releases	Time	F'cast	Prior
Aus Services PMI	9:00	51.8	53.7
ISM Non-Manufacturing PMI	0:00	52.3	51.9
Global PMIs	Various		

Key BW Names	Close	Prior	% Δ
Jervois Mining	0.086	0.081	6.2%
Qoria	0.190	0.180	5.6%
Lotus Resources	0.190	0.180	5.6%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	73.90	70.04	5.5%
Gold	1,949.2	1,977.0	-1.4%
Gold (Aus)	2,952.7	3,006.8	-1.8%
Silver	23.60	23.89	-1.2%
Uranium (Spot)	55.50	55.00	0.9%
Tin (Futures)	25,615	25,437	0.7%
Copper	3.72	3.71	0.2%

Other Markets	Close	Prior	% Δ
DX Index	104.07	103.60	0.5%
AUD/USD	0.6601	0.6575	0.4%
VIX Index	14.60	15.65	-6.7%
2-Year Treasury Yield (%)	4.512	4.337	17 bp
10-Year Treasury Yield (%)	3.699	3.600	10 bp
US 2-10-Year Spread	-0.813	-0.737	-8 bp