

6 June 2023

Markets weak overnight, futures -0.6% ahead of RBA rate call today

- **Global markets.** It was a volatile overnight trading session, with stocks higher throughout most of the day before selling off into the close as the closely-watched launch of **Apple's** new VR goggles failed to impress – the stock fell from an all-time high of ~\$185 to as low as \$178/Sh during normal market hours and is subsequently trading lower by 2% in after-hours trading. Elsewhere, the Russell 2000 was weakest of the majors (-1.3%), in Europe stocks were broadly lower, in a range of 0.1-1.0%.
- **In economic news,** last night saw PMI data out from the Eurozone and US, with readings unanimously coming in under forecasts – Italy, Spain, Germany, France and the Eurozone as a whole all printed under expectations, while the US ISM services PMI came in at 50.3 vs 52.2 expected. Factory orders of +0.4% MoM were also underwhelming vs +0.8%.
- **From a sector perspective,** there were no obvious leaders of laggards, with **Communication Services** at +0.6% the best performer for the day and **Energy** and **Industrials** (-0.6% and -0.7% respectively) the worst.
- **In other markets,** the **USD** was broadly unchanged against a basket of currencies (-0.1%), the **AUD** was slightly up (+0.3%) and **commodities** were a mixed bag – **oil, silver, tin** down and **copper, gold** up. In fixed income news, **Treasury** yields consolidated on the back of Friday's spike, with the 2yr -4bps and 10-year -1bp. Finally, the **VIX Index** was marginally up (+0.9%), but remains considerably under its long-term average at a reading of just 14.73.
- **RBA on deck.** Today's major news will of course be the RBA's rate decision for June; with expectations currently split 67% in favour of 'hold' and 33% calling for a hike. **ASX futures** are trading -0.6% at the time of writing, ahead of the RBA decision and following a rather poor lead from Wall Street.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,401.2	7,331.2	1.0%
ASX 200	7,216.3	7,145.1	1.0%
ASX Emerging Companies	2,045.1	2,057.9	-0.6%

US Markets

Dow Jones	33,562.9	33,762.8	-0.6%
S&P500	4,273.8	4,282.4	-0.2%
Nasdaq	13,229.4	13,240.8	-0.1%
Russell 2000	1,806.7	1,830.9	-1.3%

Asian & European Markets

Shanghai Composite	3,232.4	3,230.1	0.1%
Nikkei	32,217.4	31,524.2	2.2%
Hang Seng	19,108.5	18,949.9	0.8%
FTSE 100	7,600.0	7,607.3	-0.1%
DAX 30	15,963.9	16,051.2	-0.5%
CAC 40	7,200.9	7,270.7	-1.0%

S&P500 Sectors	Close	Prior	% Δ
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Communication Services	214.5	213.3	0.6%
Energy	606.9	610.4	-0.6%
Industrials	845.7	851.7	-0.7%

Economic Releases	Time	F'cast	Prior
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RBA Rate Decision	14:30	3.85%	3.85%
Eurozone Retail Sales	19:00	-3.0%	-3.8%

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.175	0.165	6.1%
Elementos	0.140	0.135	3.7%
Lotus Resources	0.195	0.190	2.6%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	71.82	73.90	-2.8%
Gold	1,962	1,949	0.6%
Gold (Aus)	2,964	2,953	0.4%
Silver	23.57	23.60	-0.1%
Uranium (Spot)	55.50	55.50	0.0%
Tin (Futures)	25,565	25,615	-0.2%
Copper	3.76	3.72	1.1%

Other Markets	Close	Prior	% Δ
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DX Index	104.0	104.1	-0.1%
AUD/USD	0.6620	0.6601	0.3%
2-Year Treasury Yield (%)	4.470	4.512	-4 bp
10-Year Treasury Yield (%)	3.689	3.699	-1 bp
US 2-10-Year Spread	-0.781	-0.813	3 bp
VIX Index	14.73	14.60	0.9%