

10 July 2023

ASX futures higher by 0.4%, US inflation the key event this week

- **Futures +0.4%.** Despite a modest Friday night on Wall Street, it appears local stocks will open slightly higher when trading commences this morning - with ASX futures currently up by 25 points, or ~0.4% at the time of writing.
- **This week in economics.** Today's major economic news will include Chinese inflation data (11:30am) and a host of central bank speakers including the BOE's Bailey, and Fed's Barr, Daly, Mester and Bostic. Over the balance of the week key events will include: German inflation and UK employment data (Tue), a speech by RBA Governor Lowe, an RBNZ rate decision (expectations are for a hold at 5.5%) and US CP (Wed), and a BOC rate decision and US PPI (Thu).
- **Global markets on Friday.** It was a quiet night of trade on Friday with all major indices in Europe and the US ending in a range of -0.6% (Dow Jones) to +0.5% (DAX). The small cap Russell 2000 was an exception, rising 1.2% as the **KRE Regional Bank Index** added >2%. These lacklustre moves came despite the release of soft US jobs data during the session (see below).
- **US jobs data.** In economics, the key event on Friday was the release of US non-farm payrolls – where, for the first time in 14 months, the headline figure came in under expectations (209k vs 229k). The unemployment rate stayed steady at 3.6% (as expected), while average hourly earnings were hot (0.4% MoM vs 0.3%) and the participation rate was flat at 62.6%.
- **In other markets,** the **VIX Index** fell on Friday, by 4%, although was higher over the week – for the first time since May. **Yields** were little changed in spite of the weaker-than-expected jobs data (2-year off 4bps, 10-year +3bps). The major **commodities** were mixed – **oil** down slightly, but still well-up on the week, closing at ~\$74/bbl – while **copper, tin** were lower and **gold** and **silver** were higher.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,244.1	7,365.0	-1.6%
ASX 200	7,042.3	7,163.4	-1.7%
ASX Emerging Companies	2,094.9	2,124.2	-1.4%

US Markets

Dow Jones	33,734.9	33,922.3	-0.6%
S&P500	4,399.0	4,411.6	-0.3%
Nasdaq	13,660.7	13,679.0	-0.1%
Russell 2000	1,864.7	1,842.2	1.2%

Asian & European Markets

Shanghai Composite	3,196.6	3,205.6	-0.3%
Nikkei	32,388.4	32,773.0	-1.2%
Hang Seng	18,365.7	18,533.1	-0.9%
FTSE 100	7,256.9	7,280.5	-0.3%
DAX 30	15,603.4	15,528.5	0.5%
CAC 40	7,111.9	7,082.3	0.4%

S&P500 Sectors	Close	Prior	% Δ
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Energy	619.4	606.9	2.1%
Healthcare	1,504.1	1,521.9	-1.2%
Consumer Staples	770.3	780.8	-1.3%

Economic Releases	Time	F'cast	Prior
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China Inflation	11:30	0.2%	0.2%
4 x Fed Speakers	Various		
BOE Governor Bailey Speaks	5:00		

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.155	0.150	3.3%
Hydralyte	0.059	0.059	0.0%
Forbidden Foods	0.017	0.017	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	73.61	73.86	-0.3%
Gold	1,926	1,912	0.7%
Gold (Aus)	2,876	2,883	-0.2%
Silver	23.09	22.73	1.6%
Uranium (Spot)	55.64	55.64	0.0%
Tin (Futures)	28,395	28,530	-0.5%
Copper	3.78	3.78	-0.1%

Other Markets	Close	Prior	% Δ
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DXY Index	102.3	102.3	0.0%
AUD/USD	0.6696	0.6632	1.0%
2-Year Treasury Yield (%)	4.957	5.001	-4 bp
10-Year Treasury Yield (%)	4.068	4.034	3 bp
US 2-10-Year Spread	-0.889	-0.967	8 bp
VIX Index	14.83	15.44	-4.0%