

28 June 2023

US stocks sharply higher overnight, yields up, local CPI out at 11:30am

- **Global markets.** Markets were back in rally mode overnight, with the Nasdaq (+1.6%), Russell 2000 (+1.5%) and S&P (+1.1%) all rising by over 1% for the day, while 10 of the S&P's 11 sub-sectors were also green, and 6 of them by >1%. In Europe, the day's moves were less-convincing, with the major markets adding just 0.1% - 0.4% for the session.
- **Broad-based gains.** As per above, the overnight gains were relatively broad-based, with **Consumer Discretionary** (+2.1%), **Information Technology** (+2.0%) and **Materials** (+1.4%) out in front. Only **Healthcare** names managed to closer lower, and even then, only by 0.2%.
- **In economics,** strong housing data from the US did nothing to ease the market's fears of an inflation rebound or plateau, with new home sales +12% for the month vs just 3% in the month prior. Consumer confidence also came in well ahead of expectations (101 vs 97) which further added to the day's strong economic tone.
- **Yields higher.** On the abovementioned news, US yields were sharply up along the curve (particularly at the short-end), with the 2-year jumping 14bps to close at 4.89% - a fresh high post the SVB-collapse – while the 10-year was also higher by 4bps. These moves saw the curve invert further, to -112bp at the time of writing.
- **Futures +0.4%.** Despite the extremely strong lead from Wall Street, it appears local stocks will open only slightly higher when trading commences this morning – with ASX futures currently up by just 26 points, or ~0.4%.
- **Local CPI on deck.** The major economic events today will include speeches from both Fed Chair Powell and the ECB's Lagarde – later tonight and tomorrow morning. While locally, monthly inflation is out at 11:30, Germany consumer confidence will also be released later this evening.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,300.0	7,264.1	0.5%
ASX 200	7,118.2	7,078.7	0.6%
ASX Emerging Companies	1,992.2	2,000.6	-0.4%

US Markets

Dow Jones	33,926.7	33,714.7	0.6%
S&P500	4,378.4	4,328.8	1.1%
Nasdaq	13,555.7	13,335.8	1.6%
Russell 2000	1,849.9	1,823.3	1.5%

Asian & European Markets

Shanghai Composite	3,189.4	3,150.6	1.2%
Nikkei	32,538.3	32,698.8	-0.5%
Hang Seng	19,148.1	18,794.1	1.9%
FTSE 100	7,461.5	7,453.6	0.1%
DAX 30	15,846.9	15,813.1	0.2%
CAC 40	7,215.6	7,184.4	0.4%

S&P500 Sectors	Close	Prior	% Δ
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Consumer Discretionary	1,308.6	1,282.2	2.1%
Information Technology	3,027.7	2,967.1	2.0%
Materials	514.2	507.1	1.4%

Economic Releases	Time	F'cast	Prior
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German Consumer Confidence	16:00	-23.0	-24.2
Fed Chair Powell Speaks	23:30		
ECB President Lagarde Speaks	1:00		

Key BW Names	Close	Prior	% Δ
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Prospect Ltd	0.034	0.031	9.7%
Meteoric Resources	0.210	0.205	2.4%
Qoria	0.235	0.235	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	67.92	69.45	-2.2%
Gold	1,915	1,924	-0.5%
Gold (Aus)	2,864	2,881	-0.6%
Silver	2.85	22.78	-87.5%
Uranium (Spot)	56.37	56.37	0.0%
Tin (Futures)	26,305	25,640	2.6%
Copper	3.79	3.80	-0.4%

Other Markets	Close	Prior	% Δ
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DXY Index	102.5	102.8	-0.3%
AUD/USD	0.6685	0.6679	0.1%
2-Year Treasury Yield (%)	4.887	4.746	14 bp
10-Year Treasury Yield (%)	3.767	3.724	4 bp
US 2-10-Year Spread	-1.120	-1.022	-10 bp
VIX Index	13.74	14.25	-3.6%