

3 July 2023

Futures +0.4% ahead of a big week for economics (RBA/PMIs/NFPs)

- **Futures +0.4%.** Following another strong session on Wall Street Friday night, it appears local stocks will open comfortably higher this morning – with ASX futures currently up 29 points, or ~0.4%.
- **Today's economics.** Being the 1st day of trading for the month, today will see manufacturing PMI's out from various regions including locally, France, Germany, Italy and the Eurozone more-broadly. US ISM PMI's are also out. Elsewhere, monthly lending and building data will be released at 11:30am.
- **Major events this week.** It will continue to be a busy week for economics, with the two key events being the RBA's rate decision tomorrow (markets are broadly split on whether they hike or stay), and US non-farm payrolls on Friday night (225k jobs expected). Other major events will include FOMC minutes and services PMIs from various regions.
- **Global markets on Friday.** Stocks continued to move higher virtually unabated on Friday night with all major US indices up in a range of 0.4% (Russell) to 1.4% (Nasdaq). For the month, the Nasdaq was best of the group – adding a very robust ~7%. In Europe stocks were also sharply higher, led by the DAX which added 1.3%.
- **In sector performance,** All 11 of the S&P's sub-sectors closed in the green – led by **Information Technology** (+1.8%) and **Cons. Discretionary** (1.4%). **Utilities, Healthcare** and **Communication Services** all rose by >1%.
- **Yields.** Following a strong move higher all week, yields were little changed on Friday night with the 2-year +3bp and 10-year flat. The curve remains heavily inverted at -105bp.
- **In other markets,** the **USD** was weak against a basket of currencies, the **AUD** moved 0.7% higher, **commodities** were strong with **oil, gold, silver, tin** and **copper** all higher by ~1% or more. And finally, the **VIX Index** was ~flat and closed at 13.6.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,401.5	7,389.6	0.2%
ASX 200	7,203.3	7,194.9	0.1%
ASX Emerging Companies	2,067.4	2,055.0	0.6%

<u>US Markets</u>			
Dow Jones	34,407.6	34,122.4	0.8%
S&P500	4,450.4	4,396.4	1.2%
Nasdaq	13,787.9	13,591.3	1.4%
Russell 2000	1,888.7	1,881.6	0.4%

<u>Asian & European Markets</u>			
Shanghai Composite	3,202.1	3,182.4	0.6%
Nikkei	33,189.0	33,234.1	-0.1%
Hang Seng	18,916.4	18,934.4	-0.1%
FTSE 100	7,531.5	7,471.7	0.8%
DAX 30	16,147.9	15,946.7	1.3%
CAC 40	7,400.1	7,312.7	1.2%

S&P500 Sectors	Close	Prior	% Δ
Information Technology	3,085.9	3,030.8	1.8%
Consumer Discretionary	1,330.5	1,312.6	1.4%
Utilities	332.8	328.8	1.2%

Economic Releases	Time	F'cast	Prior
Aus Manufacturing PMI	9:00	48.6	48.4
Aus Building Permits	11:30	2.0%	-8.1%
Aus Home Loans (MoM)	11:30		-3.8%
Aus Investment Lending (MoM)	11:30		-0.6%
Global PMIs	Various		
US ISM Manufacturing PMI	0:00	47.0	46.9

Key BW Names	Close	Prior	% Δ
Elementos	0.165	0.135	22.2%
Forbidden Foods	0.017	0.014	21.4%
Lotus Resources	0.185	0.180	2.8%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	70.47	69.79	1.0%
Gold	1,919	1,908	0.6%
Gold (Aus)	2,879	2,883	-0.1%
Silver	22.76	22.57	0.8%
Uranium (Spot)	56.07	56.07	0.0%
Tin (Futures)	26,710	26,100	2.3%
Copper	3.77	3.70	1.8%

Other Markets	Close	Prior	% Δ
DXY Index	102.9	103.4	-0.4%
AUD/USD	0.6665	0.6618	0.7%
2-Year Treasury Yield (%)	4.895	4.866	3 bp
10-Year Treasury Yield (%)	3.844	3.846	0 bp
US 2-10-Year Spread	-1.051	-1.020	-3 bp
VIX Index	13.59	13.54	0.4%