

30 June 2023

Stocks strong again overnight; a big day for economic data ahead

- **Global markets.** It was another relatively strong overnight performance from US stocks, with three of the four major indices closing higher (only the Nasdaq was lower, and by <1pt). Small caps led the day, with the Russell 2000 +1.2%, while the industrial-heavy Dow Jones was +0.8%. Over in Europe it was a more-mixed session, with stocks closing in a range of + / -0.4%.
- **Yields sharply higher.** A stronger-than-expected US GDP release (2.0% vs 1.4%) added further weight to the view that rate hikes simply weren't slowing demand fast enough and more would be needed – this sent yields rocketing higher – the 2-year added 15bps for the day, touching 4.9% at one point, and once again setting fresh post-SVB highs. The 10-year was also sharply higher, by 13bps. The yield curve remains heavily inverted at -102bps.
- **In other markets,** the **USD** was slightly higher against a basket of currencies and back above a level of 103. The **AUD** was stronger still, the **VIX Index** was ~unchanged and **commodities** were a mixed bag – **oil** added 1%, **tin** was only just higher, while everything else was down, **copper**, **gold** and **silver** each lost ~1% over the day.
- **Futures higher by 0.2%.** Given the strong lead from Wall Street, it appears local stocks will open comfortably higher when trading commences this morning – with ASX futures currently ahead by 16 points, or ~0.2%.
- **Economics.** Today will be an extremely busy day for economic releases, with Aus housing credit out this morning (11:30am), followed by international news including: Chinese PMIs, UK GDP figures, inflation from France and the Eurozone in general, German unemployment data, US PCE figures (core expected to be flat at 4.7% MoM) and the Michigan consumer sentiment reading tomorrow morning our time.

World Indices	Close	Prior	% Δ
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<u>Local Markets</u>			
All Ordinaries	7,389.6	7,384.1	0.1%
ASX 200	7,194.9	7,196.5	0.0%
ASX Emerging Companies	2,055.0	2,028.4	1.3%

<u>US Markets</u>			
Dow Jones	34,122.4	33,852.7	0.8%
S&P500	4,396.4	4,376.9	0.4%
Nasdaq	13,591.3	13,591.8	0.0%
Russell 2000	1,881.6	1,858.7	1.2%

<u>Asian & European Markets</u>			
Shanghai Composite	3,182.4	3,189.4	-0.2%
Nikkei	33,234.1	33,194.0	0.1%
Hang Seng	18,934.4	19,172.1	-1.2%
FTSE 100	7,471.7	7,500.5	-0.4%
DAX 30	15,946.7	15,949.0	0.0%
CAC 40	7,312.7	7,286.3	0.4%

Economic Releases	Time	F'cast	Prior
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Aus Housing Credit	11:30		0.3%
China Manufacturing PMI	11:30	49.0	48.8
UK GDP	16:00	0.2%	0.6%
France Inflation Rate	16:45	4.6%	5.1%
German Unemployment Rate	17:55	5.6%	5.6%
Eurozone Core Inflation	19:00	5.5%	5.3%
US Core PCE	22:30	4.7%	4.7%
US PCE Index	22:30		4.4%
Michigan Cons. Sentiment	0:00	63.9	59.2

Key BW Names	Close	Prior	% Δ
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Elementos	0.140	0.125	12.0%
Rubix Resources	0.240	0.220	9.1%
Lotus Resources	0.180	0.175	2.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	69.79	69.20	0.9%
Gold	1,907.9	1,910.0	-0.1%
Gold (Aus)	2,882.8	2,893.9	-0.4%
Silver	22.57	22.72	-0.7%
Uranium (Spot)	56.07	56.07	0.0%
Tin (Futures)	26,100	26,047	0.2%
Copper	3.70	3.73	-0.8%

Other Markets	Close	Prior	% Δ
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DXY Index	103.36	103.00	0.3%
AUD/USD	0.6618	0.6600	0.3%
VIX Index	13.54	13.43	0.8%
2-Year Treasury Yield (%)	4.866	4.712	15 bp
10-Year Treasury Yield (%)	3.846	3.712	13 bp
US 2-10-Year Spread	-1.020	-1.000	-2 bp

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