

Morning Report

Global Markets Update - 03 November 2021

U.S. equity markets closed higher overnight, with both the S&P 500 and Dow Jones up +0.4% and NASDAQ gaining +0.3%, amid solid corporate earnings with majority of companies' reporting beating earnings estimates.

Long-dated U.S. treasury yields were lower, with the 2-Yr yield at 0.444% and the 10-Yr yield at 1.545%.

European markets. European equity markets closed mostly higher overnight, with the Stoxx Europe 600 up +0.1% and German DAX gaining +0.9%. The U.K. FTSE 100 declined -0.2%, with miners being the worst performers as iron ore futures extended losses on shrinking steel output in China.

Asian markets. Asian equity markets closed mostly lower overnight, with the Shanghai Composite down -1.1%, on concerns about the impact of measures to curb Covid-19 infections with Beijing suspending classes at 18 schools due to rising virus cases, and Premier Li Keqiang's warning that China's economy faces new downward pressures and has to cut taxes and fees to address the problems faced by small and medium-sized companies. The Hang Seng was down -0.2%, KOSPI up +1.2% and Nikkei 225 declined -0.4%.

WTI oil is trading at US\$83.52 a barrel. **Iron ore price** is at US\$110.28 per ton. **Spot gold** is trading at US\$1,788 per oz.

ASX Market Update

ASX performance. The ASX 200 closed -0.63% lower yesterday. RBA kept its cash rate at a record low 0.1%, scrapped the 0.1% yield target on the April 2024 security and signaled it's open to raising interest rates earlier than its previous 2024 guidance following a quickening of inflation.

IGO Ltd (IGO) declined -8.4%, after reporting 1Q22 Nova nickel production of 6,889 tons, down -13% qoq. **Insurance Australia Group Ltd (IAG)** was down -7.0%, after downgrading FY22 reported insurance margin forecast to 10-12% from 13.5-15.5%. **Goodman Group (GMG)** was up +5.6%, after raising FY22 operating EPS growth guidance to more than +15% y/y from prior forecast of +10% y/y. **Charter Hall Group (CHC)** was up +3.3%, after raising FY22 EPS guidance to at least A\$0.83 from prior guidance of at least A\$0.61.

ASX Performance	1D Chg (%)	5D Chg (%)
ASX/S&P 200	-0.63%	-1.6%
ASX/S&P All Ords	-0.59%	-1.5%

By Sector

Banks	-1.13%	-2.8%
Insurance	-3.07%	-4.5%
Diversified Financials	-1.11%	-1.9%
Real Estate	1.20%	-1.0%
Consumer Discretionary	0.41%	1.1%
Industrials	0.05%	0.4%
Telcos	-0.44%	2.6%
Utilities	0.33%	-1.0%
Healthcare	0.32%	3.0%
Consumer Staples	0.58%	-2.7%
Energy	-1.05%	-3.4%
Metals & Mining	-2.10%	-5.0%

ASX200 Top 5	Price (A\$)	1D Chg (%)
GOODMAN GROUP	23.49	5.6%
CHARTER HALL GROUP	18.59	3.3%
MEGAPORT LTD	19.27	3.2%
APA GROUP	8.68	3.2%
IDP EDUCATION LTD	39.15	3.0%

ASX200 Bottom 5	Price (A\$)	1D Chg (%)
WHITEHAVEN COAL LTD	2.37	-9.5%
IGO LTD	8.92	-8.4%
CHAMPION IRON LTD	4.24	-7.2%
INSURANCE AUSTRALIA GROU	4.50	-7.0%
LYNAS RARE EARTHS LTD	7.12	-4.9%

Market Valuations	PE-Multiple	Div. Yield
ASX200	18.4.x	3.8%
FTSE 100 Index	12.7.x	4.0%
DAX Index	15.3.x	2.5%
CAC 40 Index	16.4.x	2.6%
S&P 500 Index	22.4.x	1.3%
Dow Jones Ind. Avg	18.8.x	1.8%
NASDAQ	29.7.x	0.6%
NZX All Ords	32.9.x	2.5%
HANG SENG Index	12.5.x	2.8%
NIKKEI 225	18.0.x	1.7%
Shanghai Composite	12.9.x	2.4%

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	Units	Current Value	Price Performance (% Chg)			
			1-day	1-month	6-months	1-year
Developed Markets Equities						
Dow Jones	USD	36,053	0.4%	5.0%	6.4%	33.9%
S&P 500	USD	4,631	0.4%	6.3%	10.8%	39.9%
NASDAQ Composite	USD	15,650	0.3%	7.4%	12.1%	42.8%
Stoxx Europe 600	EUR	480	0.1%	5.9%	9.6%	37.9%
FTSE 100 (UK)	GBP	7,275	-0.2%	3.5%	4.4%	28.6%
DAX (Germany)	EUR	15,954	0.9%	5.3%	5.4%	35.3%
CAC (France)	EUR	6,927	0.5%	6.3%	10.5%	47.7%
Nikkei 225	JPY	29,521	-0.4%	2.6%	2.5%	26.7%
ASX 200	AUD	7,324	-0.6%	1.9%	4.2%	20.7%
ASX 200 Futures	AUD	7,360	1.0%	3.3%	6.9%	25.1%
Emerging Markets Equities						
MSCI Emerging Markets	USD	1,265	0.0%	1.4%	-6.2%	13.4%
Hang Seng (HK)	HKD	25,100	-0.2%	2.1%	-11.5%	0.6%
Shanghai Composite	CNY	3,506	-1.1%	-1.8%	1.7%	7.2%
Korea	KRW	3,013	1.2%	-0.2%	-3.6%	28.6%
Taiwan	TWD	17,066	0.0%	3.0%	-0.9%	34.0%
Brazil	BRL	105,551	2.0%	-6.5%	-11.2%	12.3%
Bombay Stock Exchange (India)	INR	60,029	-0.2%	2.2%	23.2%	49.1%
South Africa	ZAR	61,158	0.6%	6.8%	0.1%	28.8%
Foreign Exchange						
AUDUSD	Currency	0.7431	-1.3%	2.1%	-4.3%	5.3%
AUDGBP	Currency	0.5458	0.9%	-1.9%	2.3%	0.1%
AUDEUR	Currency	0.6417	1.0%	-2.3%	0.3%	-5.5%
AUDCNY	Currency	4.77	1.0%	-1.7%	4.6%	-1.1%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,720	0.1%	-4.8%	13.5%	47.1%
LME COPPER 3MO (\$)	USD/mt	9,555	0.6%	4.7%	-2.7%	42.2%
LME NICKEL 3MO (\$)	USD/mt	19,702	1.3%	9.6%	11.5%	30.0%
SILVER FUTURE Dec21	USD/oz	23.57	-2.1%	4.6%	-9.1%	-4.2%
ICE Newc Coal Fut Feb22	USD/mt	126.10	-0.3%	-41.8%	40.3%	98.4%
62% Import Fine Ore in USD	USD/t	110.28	-4.0%	-5.6%	-40.6%	-4.6%
Gold Spot \$/Oz	USD/oz	1,788	-0.3%	1.0%	-0.3%	-5.7%
WTI Oil	USD/bbl	83.52	-0.6%	10.5%	36.9%	105.8%
Henry Hub	USD/mmBtu	5.18	-4.4%	-7.3%	80.5%	70.7%
Corn	USD/Bu	572.50	-1.1%	5.7%	-22.6%	44.0%
Wheat	USD/Bu	790.00	-0.9%	4.6%	6.4%	30.0%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	1.89%	-0.8%	26.8%	8.2%	129.6%
US	USD	1.55%	-0.7%	5.7%	-5.0%	83.2%
Germany	EUR	-0.17%	-61.8%	26.3%	18.3%	74.2%
Japan	JPY	0.08%	-18.8%	25.8%	-19.6%	73.3%
Italy	EUR	1.07%	-11.5%	32.1%	18.7%	43.4%
Australian Rates						
Cash Rate	AUD	0.10%	0.0%	0.0%	0.0%	-60.0%
90-Day BBSW	AUD	0.06%	-8.3%	175.0%	37.5%	-8.3%
180-Day BBSW	AUD	0.17%	-17.5%	230.0%	65.0%	153.8%
CBOE Options						
CBOE VIX (Volatility Index)	Index	16.01	-2.4%	-24.3%	-14.0%	-56.9%

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