

Morning Report

Global Markets Update - 03 February 2023

US Markets

Equity markets closed mostly higher overnight, with S&P 500 up +1.5%, Dow Jones down -0.1% and NASDAQ up +3.3%.

European Markets

European equity markets closed higher overnight, with the Stoxx Europe 600 up +1.3% and German DAX up +2.2%, as investors looked past ECB raising interest rates by +50bps to 2.5%, the highest since 2008, and announcing it would deliver another hike of the same magnitude in March, focusing instead on evidence of an economic slowdown that they believe will force a pause after President Christine Lagarde called risks to the growth and inflation outlook more balanced.

The U.K. FTSE 100 gained +0.8%, as BOE signaled interest-rate hikes may be drawing to a close after it raised its benchmark lending rate by +50bps to 4%, highest since 2008, forecasting inflation to decline to 4% in 2023 and below the 2% in 2024.

Asian Markets

Asian equity markets closed mixed overnight, with the Shanghai Composite paring intraday gains to close flat, as sentiment was hurt after officials from China's Ministry of Commerce warned China's foreign trade environment is "extremely severe" and the outlook for investment is also challenging this year as the global economy slows and faces uncertainty. The Hang Seng was down -0.5%, KOSPI up +0.8% and Nikkei 225 gained +0.2%. South Korea's inflation accelerated again in January with CPI advancing +5.2% y/y and core-CPI up +5% y/y. U.S. and South Korean air drills led to North Korea's Foreign Ministry announcing the door remains shut for talks with the US on winding down its atomic arsenal, setting the stage for renewed provocations by pledging to respond to what it saw as threats from Washington.

WTI oil is trading at US\$75.82 a barrel.

ASX Market Update

The S&P/ASX 200 closed +0.1% higher yesterday. Australia's building approvals rose more than expected in December, rising +18.5% MoM vs -8.8% MoM decline in previous month.

Credit Corp Group Ltd was up +6.0%, after reaffirming FY23 net income guidance of A\$90-97m.

ASX Performance

	1D Chg (%)	5D Chg (%)
ASX/S&P 200	0.1%	0.6%
ASX/S&P All Ords	0.2%	0.5%

By Sector

	1D Chg (%)	5D Chg (%)
Banks	-0.5%	0.6%
Insurance	-2.4%	-2.8%
Diversified Financials	1.4%	1.8%
Real Estate	0.9%	3.1%
Consumer Discretionary	1.3%	1.9%
Industrials	0.6%	1.8%
Telcos	-0.7%	0.8%
Utilities	-0.3%	-0.4%
Healthcare	0.9%	2.0%
Consumer Staples	0.4%	3.3%
Energy	-0.9%	-4.4%
Metals & Mining	-0.3%	-0.8%

ASX200 Top 5

	Price (A\$)	1D Chg (%)
MEGAPORT LTD	6.20	11.1%
XERO LTD	82.60	7.5%
WISETECH GLOBAL LTD	63.53	6.8%
CHARTER HALL GROUP	14.93	6.4%
CHALICE MINING LTD	6.72	6.2%

ASX200 Bottom 5

	Price (A\$)	1D Chg (%)
QBE INSURANCE GROUP LTD	13.20	-4.8%
COMPUTERSHARE LTD	23.13	-3.6%
VIRGIN MONEY UK PLC - CDI	3.23	-3.6%
PINNACLE INVESTMENT MAN/	9.39	-2.7%
RIO TINTO LTD	125.43	-2.3%

Market Valuations

	PE-Multiple	Div. Yield
ASX200	14.6.x	4.4%
FTSE 100 Index	10.1.x	3.8%
DAX Index	12.9.x	3.1%
CAC 40 Index	11.8.x	3.2%
S&P 500 Index	19.4.x	1.6%
Dow Jones Ind. Avg	20.0.x	2.0%
NASDAQ	26.9.x	0.9%
NZX All Ords	27.3.x	3.0%
HANG SENG Index	12.2.x	3.1%
NIKKEI 225	20.1.x	2.2%
Shanghai Composite	12.4.x	3.0%

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	Units	Current Value	Price Performance (% Chg)			
			1-day	1-month	6-months	1-year
Developed Markets Equities						
Dow Jones	USD	34,054	-0.1%	2.7%	5.1%	-4.4%
S&P 500	USD	4,180	1.5%	8.9%	2.2%	-8.9%
NASDAQ Composite	USD	12,201	3.3%	16.6%	-1.2%	-15.4%
Stoxx Europe 600	EUR	459	1.3%	7.1%	5.3%	-3.7%
FTSE 100 (UK)	GBP	7,820	0.8%	4.9%	5.5%	3.1%
DAX (Germany)	EUR	15,509	2.2%	10.2%	15.3%	-0.7%
CAC (France)	EUR	7,166	1.3%	8.7%	11.8%	0.7%
Nikkei 225	JPY	27,402	0.2%	5.0%	-1.2%	0.6%
ASX 200	AUD	7,512	0.1%	8.1%	7.7%	6.1%
ASX 200 Futures	AUD	7,472	0.3%	8.4%	9.5%	10.0%
Emerging Markets Equities						
MSCI Emerging Markets	USD	1,043	1.1%	9.0%	5.9%	-14.0%
Hang Seng (HK)	HKD	21,958	-0.5%	9.0%	11.1%	-7.7%
Shanghai Composite	CNY	3,286	0.0%	5.4%	3.9%	-2.3%
Korea	KRW	2,469	0.8%	11.3%	0.3%	-8.8%
Taiwan	TWD	15,595	1.1%	9.6%	5.5%	-11.8%
Brazil	BRL	1,10,117	-1.7%	3.5%	6.5%	-1.6%
Bombay Stock Exchange (India)	INR	59,932	0.4%	-2.2%	2.7%	1.9%
South Africa	ZAR	73,629	-0.1%	10.0%	19.6%	7.2%
Foreign Exchange						
AUD / USD	Currency	0.7078	-0.8%	4.1%	2.3%	-0.8%
AUD / GBP	Currency	0.5786	0.3%	2.5%	1.8%	10.1%
AUD / EUR	Currency	0.6486	-0.1%	1.7%	-4.7%	2.7%
AUD / CNY	Currency	4.7720	0.2%	1.6%	1.6%	5.3%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,632	-0.5%	10.7%	8.3%	-13.2%
LME COPPER 3MO (\$)	USD/mt	9,087	-1.5%	8.5%	16.2%	-6.3%
LME NICKEL 3MO (\$)	USD/mt	29,296	-3.5%	-2.5%	24.3%	28.7%
Platinum Spot \$/Oz	USD/oz	1,025	1.6%	-4.6%	14.1%	-1.2%
Palladium Spot \$/Oz	USD/oz	1,655	-1.1%	-7.7%	-19.8%	-30.4%
SILVER FUTURE Mar23	USD/oz	23.52	-0.4%	-2.2%	14.9%	2.1%
ICE Newc Coal Fut Mar23	USD/mt	235.35	-2.2%	-30.7%	-28.8%	64.9%
Iron Ore Spot Price Index 62% (CFR Qingdao Port)	USD/t	117.87	-0.1%	5.5%	13.0%	-11.0%
Gold Spot \$/Oz	USD/oz	1,912	-2.0%	4.8%	8.6%	5.8%
WTI Oil	USD/bbl	75.82	-0.8%	-5.8%	-14.4%	-1.0%
Henry Hub	USD/mmBtu	2.65	-0.4%	-24.7%	-67.7%	-50.9%
Corn	USD/Bu	674.50	-1.0%	-0.6%	14.1%	8.4%
Wheat	USD/Bu	760.00	0.0%	-4.0%	-1.9%	0.7%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	3.54%	-0.8%	-12.6%	19.0%	85.1%
U.S.	USD	3.39%	-0.7%	-12.4%	23.4%	91.1%
Germany	EUR	2.08%	-8.9%	-14.9%	153.7%	5100.0%
Japan	JPY	0.50%	1.2%	18.0%	183.0%	178.2%
Italy	EUR	3.90%	-9.1%	-14.5%	27.1%	173.0%
Australian Rates						
Cash Rate	AUD	3.10%	8.8%	8.8%	785.7%	3000.0%
90-Day BBSW	AUD	3.36%	0.4%	2.8%	56.3%	4700.0%
180-Day BBSW	AUD	3.69%	0.5%	-2.3%	34.7%	1700.0%
CBOE Options						
CBOE VIX (Volatility Index)	Index	18.45	3.2%	-14.9%	-22.9%	-16.5%

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