

# Morning Report

## Global Markets Update - 9 March 2023

### US Markets

U.S. Equity markets closed mostly higher overnight, with the S&P 500 up +0.1%, Dow Jones down -0.2%, and NASDAQ closing +0.4% higher, after Fed Chair Jerome Powell stressed that no decision has been made on the pace of Federal Reserve tightening, while reiterating the central bank might accelerate the pace of hikes and raise rates to a higher peak than previously expected amid signs of a stronger economy. US companies added more jobs than expected in February with private payrolls rising 242,000. According to Fed's latest Beige Book survey, U.S. economic activity increased slightly in early 2023, however, the outlook going forward remains less optimistic. Long-dated U.S. treasury yields were higher, with the 2-Yr yield at 5.06% and the 10-Yr yield at 3.98%.

### European Markets

European equity markets closed higher overnight, with the Stoxx Europe 600 up +0.1% and German DAX up +0.5%. The U.K. FTSE 100 gained +0.1%, as the pound weakened after BOE policy maker Swati Dhingra cautioned against raising interest rates further, saying that doing so could damage an already weak UK economy. The euro-area economy failed to expand at the end of 2022 as worse-than-expected performances in Germany and Ireland helped pull down initial growth readings with 4Q22 GDP growth revised lower by -10bps to 0% q/q and +1.8% y/y.

### Asian Markets

Asian equity markets closed mostly lower overnight, with the Shanghai Composite down -0.1% and Hang Seng down -2.4%, amid a potential flare-up in U.S.-China tensions after the U.S. Director of National Intelligence said China will keep up its defense and economic cooperation with Russia despite international condemnation of the Ukraine invasion and pressure from Western allies to continue trying to challenge the U.S. Nikkei 225 was up +0.5% and KOSPI declined -1.3%.

WTI oil is trading at US\$76.50 a barrel. Iron ore price is at US\$119.10 per ton. Spot gold is trading at US\$1,814 per oz.

### ASX Market Update

The S&P/ASX 200 closed -0.8% lower yesterday.

Qantas Airways Ltd (QAN) gained +2.9%, after Australia's consumer watchdog said domestic airfares remain above pre-Covid levels.

| ASX Performance  | 1D Chg (%) | 5D Chg (%) |
|------------------|------------|------------|
| ASX/S&P 200      | -0.8%      | 0.8%       |
| ASX/S&P All Ords | -0.8%      | 0.6%       |

### By Sector

|                        |       |       |
|------------------------|-------|-------|
| Banks                  | -0.7% | -0.3% |
| Insurance              | -0.1% | 0.6%  |
| Diversified Financials | -1.0% | 0.7%  |
| Real Estate            | -0.5% | 0.9%  |
| Consumer Discretionary | -0.2% | 2.7%  |
| Industrials            | 0.0%  | 0.7%  |
| Telcos                 | 0.4%  | 1.9%  |
| Utilities              | -0.1% | -0.7% |
| Healthcare             | 0.3%  | 2.1%  |
| Consumer Staples       | -0.4% | 0.1%  |
| Energy                 | -4.2% | -2.5% |
| Metals & Mining        | -1.1% | 1.5%  |

| ASX200 Top 5              | Price (A\$) | 1D Chg (%) |
|---------------------------|-------------|------------|
| NANOSONICS LTD            | 4.87        | 7.5%       |
| IRESS LTD                 | 9.01        | 3.1%       |
| QANTAS AIRWAYS LTD        | 6.77        | 2.9%       |
| SONIC HEALTHCARE LTD      | 33.52       | 1.7%       |
| TELIX PHARMACEUTICALS LTD | 7.38        | 1.7%       |

| ASX200 Bottom 5          | Price (A\$) | 1D Chg (%) |
|--------------------------|-------------|------------|
| RAMELIUS RESOURCES LTD   | 0.98        | -10.9%     |
| WOODSIDE ENERGY GROUP L  | 34.90       | -7.2%      |
| REGIS RESOURCES LTD      | 1.65        | -5.7%      |
| SMARTGROUP CORP LTD      | 6.29        | -5.7%      |
| SILVERLAKE RESOURCES LTD | 0.98        | -5.3%      |

| Market Valuations  | PE-Multiple   | Div. Yield  |
|--------------------|---------------|-------------|
| <b>ASX200</b>      | <b>14.2.x</b> | <b>4.3%</b> |
| FTSE 100 Index     | 10.7.x        | 4.1%        |
| DAX Index          | 12.3.x        | 3.5%        |
| CAC 40 Index       | 12.9.x        | 3.2%        |
| S&P 500 Index      | 18.2.x        | 1.8%        |
| Dow Jones Ind. Avg | 16.9.x        | 2.2%        |
| NASDAQ             | 23.5.x        | 0.9%        |
| NZX All Ords       | 27.3.x        | 3.1%        |
| HANG SENG Index    | 11.4.x        | 3.3%        |
| NIKKEI 225         | 17.0.x        | 2.1%        |
| Shanghai Composite | 12.5.x        | 2.9%        |

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|  | Units     | Current Value | Price Performance (% Chg) |         |          |         |
|--|-----------|---------------|---------------------------|---------|----------|---------|
|  |           |               | 1-day                     | 1-month | 6-months | 1-year  |
| <b>Developed Markets Equities</b>                |           |               |                           |         |          |         |
| Dow Jones  | USD       | 32,798        | -0.2%                     | -3.4%   | 3.2%     | 0.5%    |
| S&P 500  | USD       | 3,992         | 0.1%                      | -3.1%   | -0.4%    | -4.3%   |
| NASDAQ Composite                                 | USD       | 11,576        | 0.4%                      | -2.8%   | -2.4%    | -9.5%   |
| Stoxx Europe 600                                 | EUR       | 461           | 0.1%                      | 0.3%    | 11.3%    | 11.1%   |
| FTSE 100 (UK)                                    | GBP       | 7,930         | 0.1%                      | 0.6%    | 9.2%     | 13.9%   |
| DAX (Germany)                                    | EUR       | 15,632        | 0.5%                      | 1.4%    | 21.1%    | 21.8%   |
| CAC (France)                                     | EUR       | 7,325         | -0.2%                     | 2.9%    | 19.6%    | 22.8%   |
| Nikkei 225                                       | JPY       | 28,444        | 0.5%                      | 3.1%    | 0.8%     | 15.1%   |
| ASX 200  | AUD       | 7,308         | -0.8%                     | -2.4%   | 6.0%     | 3.6%    |
| ASX 200 Futures                                  | AUD       | 7,310         | 0.4%                      | -1.4%   | 7.1%     | 6.9%    |
| <b>Emerging Markets Equities</b>                 |           |               |                           |         |          |         |
| MSCI Emerging Markets                            | USD       | 988           | -0.5%                     | -3.2%   | 3.3%     | -9.8%   |
| Hang Seng (HK)                                   | HKD       | 20,051        | -2.4%                     | -7.3%   | 3.6%     | -2.8%   |
| Shanghai Composite                               | CNY       | 3,283         | -0.1%                     | 0.4%    | 0.6%     | 0.8%    |
| Korea  | KRW       | 2,432         | -1.3%                     | -2.0%   | 2.0%     | -7.3%   |
| Taiwan   | TWD       | 15,818        | -0.3%                     | 1.4%    | 8.5%     | -7.0%   |
| Brazil   | BRL       | 106,391       | 2.1%                      | -3.2%   | -3.2%    | -4.3%   |
| Bombay Stock Exchange (India)                    | INR       | 60,348        | 0.2%                      | -0.8%   | 0.9%     | 10.4%   |
| South Africa                                     | ZAR       | 71,868        | -1.1%                     | -2.8%   | 18.5%    | 8.4%    |
| <b>Foreign Exchange</b>                          |           |               |                           |         |          |         |
| AUD / USD  | Currency  | 0.6591        | 0.1%                      | -4.8%   | -2.4%    | -9.3%   |
| AUD / GBP  | Currency  | 0.5564        | 0.0%                      | -3.0%   | -5.2%    | 0.3%    |
| AUD / EUR  | Currency  | 0.6250        | 0.1%                      | -3.3%   | -7.4%    | -6.3%   |
| AUD / CNY  | Currency  | 4.5823        | -0.2%                     | -2.7%   | -2.5%    | -0.5%   |
| <b>Commodities</b>                               |           |               |                           |         |          |         |
| LME ALUMINUM 3MO (\$)                            | USD/mt    | 2,350         | -1.3%                     | -6.9%   | 5.1%     | -37.2%  |
| LME COPPER 3MO (\$)                              | USD/mt    | 8,764         | -1.8%                     | -1.8%   | 15.0%    | -14.8%  |
| LME NICKEL 3MO (\$)                              | USD/mt    | 24,145        | -1.2%                     | -11.4%  | 11.9%    | -49.8%  |
| Platinum Spot \$/Oz                              | USD/oz    | 941           | 0.6%                      | -3.5%   | 6.6%     | -18.7%  |
| Palladium Spot \$/Oz                             | USD/oz    | 1,376         | -1.1%                     | -16.7%  | -35.8%   | -56.6%  |
| SILVER FUTURE May23                              | USD/oz    | 20.12         | -0.4%                     | -11.1%  | 7.7%     | -26.1%  |
| ICE Newc Coal Fut Jun23                          | USD/mt    | 192.80        | 0.1%                      | -14.7%  | -45.5%   | -20.8%  |
| Iron Ore Spot Price Index 62% (CFR Qingdao Port) | USD/t     | 119.10        | 0.7%                      | 4.6%    | 25.4%    | -19.2%  |
| Gold Spot \$/Oz                                  | USD/oz    | 1,814         | 0.0%                      | -3.3%   | 6.2%     | -11.5%  |
| WTI Oil  | USD/bbl   | 76.50         | -1.4%                     | -2.8%   | -4.1%    | -15.9%  |
| Henry Hub  | USD/mmBtu | 2.52          | 2.4%                      | 7.2%    | -69.0%   | -48.9%  |
| Corn   | USD/Bu    | 634.75        | -1.1%                     | -6.4%   | -5.9%    | -15.9%  |
| Wheat  | USD/Bu    | 674.50        | -1.5%                     | -11.8%  | -16.8%   | -47.0%  |
| <b>Fixed Interest</b>                            |           |               |                           |         |          |         |
| <b>10-Yr Bond Yield</b>                          |           |               |                           |         |          |         |
| Australia  | AUD       | 3.74%         | 1.6%                      | 3.6%    | 4.9%     | 67.8%   |
| U.S.   | USD       | 3.98%         | 0.4%                      | 10.2%   | 20.0%    | 115.6%  |
| Germany  | EUR       | 2.65%         | -1.7%                     | 12.0%   | 54.1%    | 2262.5% |
| Japan  | JPY       | 0.51%         | 0.2%                      | 1.0%    | 100.4%   | 215.6%  |
| Italy  | EUR       | 4.43%         | -2.2%                     | 4.7%    | 11.4%    | 177.4%  |
| <b>Australian Rates</b>                          |           |               |                           |         |          |         |
| Cash Rate  | AUD       | 3.60%         | 7.5%                      | 7.5%    | 53.2%    | 3500.0% |
| 90-Day BBSW                                      | AUD       | 3.64%         | 0.3%                      | 5.8%    | 40.5%    | 2410.3% |
| 180-Day BBSW                                     | AUD       | 3.95%         | 0.5%                      | 3.9%    | 29.5%    | 690.0%  |
| <b>CBOE Options</b>                              |           |               |                           |         |          |         |
| CBOE VIX (Volatility Index)                      | Index     | 19.11         | -2.5%                     | -2.6%   | -19.1%   | -45.6%  |

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