

Morning Report

Global Markets Update - 24 May 2023

US Markets

Equity markets closed lower overnight, with the S&P 500 down -1.1%, Dow Jones down -0.7% and NASDAQ down -1.3%, as negotiations over raising the US debt ceiling remained at an impasse. US business activity grew in May by the most in over a year, as robust demand for services saw services PMI surge to a 13-month high while the manufacturing index slipped back into contraction territory as orders shrank and output growth cooled.

Long-dated U.S. treasury yields were mixed, with the 2-Yr yield higher at 4.325% and the 10-Yr yield lower at 3.7%.

European Markets

European equity markets closed lower overnight, with the Stoxx Europe 600 down -0.6%, after data revealed euro-zone manufacturing activity shrank in May at the fastest pace since the pandemic shuttered factories three years ago. German DAX was down -0.4%, after Bundesbank President Joachim Nagel warned ECB will need 'several' interest rate increases to bring inflation under control. The U.K. FTSE 100 declined -0.1%.

Asian Markets

Asian equity markets closed mostly lower overnight, with the Shanghai Composite down -1.5% and Hang Seng down -1.3%, as geopolitical tensions resurfaced after a senior US official called Beijing's restrictions on Micron's chips a retaliation while China questioned US "sincerity" as Biden sought more talks with Beijing. Nikkei 225 declined -0.4%, with semiconductor-related stocks slumping after Japan's Ministry of Economy, Trade and Industry said its new restrictions on exports of 23 types of chipmaking technology will take effect July 23. KOSPI gained +0.4%, after data revealed South Korea's consumer confidence improved in May with households' inflation expectation for next 12-months falling -20bps MoM to 3.5%.

ASX Market Update

ASX performance. The S&P/ASX 200 closed flat yesterday.

BrainChip Holdings Ltd (BRN) slumped -17.6%, after announcing disappointing sales reflected a lack of demand for its Akida processor.

Today's trading. In the U.K., CPI data is anticipated.

ASX Performance	1D Chg (%)	5D Chg (%)
ASX/S&P 200	0.0%	0.3%
ASX/S&P All Ords	0.0%	0.3%

By Sector

Banks	0.6%	1.4%
Insurance	0.6%	2.9%
Diversified Financials	1.4%	2.3%
Real Estate	0.7%	-0.5%
Consumer Discretionary	-1.0%	-2.0%
Industrials	-0.5%	-0.3%
Telcos	0.2%	0.1%
Utilities	-0.2%	-0.2%
Healthcare	0.1%	0.6%
Consumer Staples	-0.8%	-1.0%
Energy	0.3%	2.5%
Metals & Mining	-0.7%	-1.1%

ASX200 Top 5	Price (A\$)	1D Chg (%)
PALADIN ENERGY LTD	0.70	5.3%
BLOCK INC - CDI	91.95	4.5%
NEW HOPE CORP LTD	5.33	3.5%
TABCORP HOLDINGS LTD	1.13	3.2%
TELIX PHARMACEUTICALS LTD	11.84	3.1%

ASX200 Bottom 5	Price (A\$)	1D Chg (%)
BRAINCHIP HOLDINGS LTD	0.42	-17.6%
SAYONA MINING LTD	0.22	-6.4%
WEST AFRICAN RESOURCES LT	0.86	-5.0%
ELDERS LTD	6.61	-4.3%
ST BARBARA LTD	0.59	-3.3%

Market Valuations	PE-Multiple	Div. Yield
ASX200	14.7.x	4.3%
FTSE 100 Index	10.7.x	4.1%
DAX Index	11.4.x	3.4%
CAC 40 Index	12.7.x	3.3%
S&P 500 Index	19.1.x	1.7%
Dow Jones Ind. Avg	17.1.x	2.2%
NASDAQ	26.6.x	0.8%
NZX All Ords	23.6.x	3.9%
HANG SENG Index	9.4.x	3.8%
NIKKEI 225	18.6.x	2.0%
Shanghai Composite	11.3.x	3.1%

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	Units	Current Value	Price Performance (% Chg)			
			1-day	1-month	6-months	1-year
Developed Markets Equities						
Dow Jones	USD	33,056	-0.7%	-2.2%	-3.3%	3.7%
S&P 500	USD	4,146	-1.1%	0.3%	2.9%	4.3%
NASDAQ Composite	USD	12,560	-1.3%	4.0%	11.3%	8.9%
Stoxx Europe 600	EUR	466	-0.6%	-0.6%	6.2%	6.8%
FTSE 100 (UK)	GBP	7,763	-0.1%	-1.9%	4.0%	3.3%
DAX (Germany)	EUR	16,153	-0.4%	1.7%	12.0%	13.9%
CAC (France)	EUR	7,379	-1.3%	-2.6%	10.5%	16.0%
Nikkei 225	JPY	30,958	-0.4%	8.3%	9.1%	15.7%
ASX 200	AUD	7,260	0.0%	-0.8%	0.3%	1.8%
ASX 200 Futures	AUD	7,243	-0.5%	-1.2%	0.3%	4.2%
Emerging Markets Equities						
MSCI Emerging Markets	USD	983	0.6%	0.3%	5.5%	-5.0%
Hang Seng (HK)	HKD	19,431	-1.3%	-2.6%	10.0%	-3.4%
Shanghai Composite	CNY	3,246	-1.5%	-0.9%	5.1%	5.7%
Korea	KRW	2,568	0.4%	1.7%	5.2%	-1.5%
Taiwan	TWD	16,188	0.0%	3.6%	9.5%	1.4%
Brazil	BRL	1,09,915	-0.3%	5.3%	1.0%	-0.4%
Bombay Stock Exchange (India)	INR	61,982	0.0%	3.2%	-0.5%	14.7%
South Africa	ZAR	71,479	-1.8%	-1.2%	7.5%	15.7%
Foreign Exchange						
AUD / USD	Currency	0.6609	-0.7%	-1.3%	-1.8%	-7.0%
AUD / GBP	Currency	0.5324	-0.5%	-0.7%	-4.7%	-5.7%
AUD / EUR	Currency	0.6136	-0.3%	1.2%	-5.2%	-7.7%
AUD / CNY	Currency	4.6651	-0.3%	1.1%	-2.7%	-1.4%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,264	-0.9%	-5.5%	-6.8%	-23.2%
LME COPPER 3MO (\$)	USD/mt	8,128	-1.5%	-7.6%	1.4%	-13.7%
LME NICKEL 3MO (\$)	USD/mt	21,413	0.6%	-12.5%	-17.7%	-23.5%
Platinum Spot \$/Oz	USD/oz	1,055	-1.4%	-3.2%	5.5%	9.8%
Palladium Spot \$/Oz	USD/oz	1,459	-2.2%	-5.3%	-22.6%	-27.0%
SILVER FUTURE Jul23	USD/oz	23.58	-1.2%	-6.7%	8.2%	4.8%
ICE Newc Coal Fut Jun23	USD/mt	161.25	-1.3%	-17.5%	-49.4%	-41.5%
Iron Ore Spot Price Index 62% (CFR Qingdao Port)	USD/t	102.38	-0.8%	-12.6%	7.9%	-17.6%
Gold Spot \$/Oz	USD/oz	1,975	0.1%	-0.7%	12.9%	6.5%
WTI Oil	USD/bbl	73.06	1.4%	-6.0%	-5.5%	-17.7%
Henry Hub	USD/mmBtu	2.30	-3.0%	4.5%	-62.8%	-71.1%
Corn	USD/Bu	577.75	1.2%	-12.9%	-12.9%	-26.5%
Wheat	USD/Bu	623.00	2.8%	-5.9%	-21.5%	-47.6%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	3.65%	1.8%	5.6%	1.8%	9.7%
U.S.	USD	3.70%	-0.4%	3.6%	0.2%	29.7%
Germany	EUR	2.47%	0.4%	-0.5%	27.9%	142.8%
Japan	JPY	0.40%	2.8%	-14.6%	62.2%	68.3%
Italy	EUR	4.32%	0.2%	-0.7%	13.5%	42.4%
Australian Rates						
Cash Rate	AUD	3.85%	6.9%	6.9%	35.1%	3750.0%
90-Day BBSW	AUD	3.92%	0.3%	6.4%	27.1%	266.4%
180-Day BBSW	AUD	4.13%	0.6%	6.7%	15.2%	128.5%
CBOE Options						
CBOE VIX (Volatility Index)	Index	18.61	8.1%	11.0%	-8.6%	-34.7%

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