

# Morning Report

## Global Markets Update - 25 May 2023

### US Markets

Equity markets closed lower overnight, with the S&P 500 down -0.7%, Dow Jones down -0.8% and NASDAQ down -0.6%, as investors weighed the possibility of a US recession from either a US debt default or higher interest rates from the Fed with minutes from Fed's May policy meeting revealing officials remain split on support for more hikes.

Long-dated U.S. treasury yields were higher, with the 2-Yr yield at 4.378% and the 10-Yr yield lower at 3.742%.

### European Markets

European equity markets closed lower overnight, with the Stoxx Europe 600 down -1.8%. German DAX was down -1.9%, after data revealed Germany's business outlook deteriorated for the first time since October in May as a struggling manufacturing sector threatens to undermine the recovery of Europe's biggest economy. The U.K. FTSE 100 declined -1.7%, after data revealed Britain's inflation rate remained much stronger than expected in April, with the fastest increase in services and core prices in more than three decades seeing CPI increasing +8.7% y/y and core-CPI recording +6.8% y/y increase, leading to BOE Governor Andrew Bailey warning that inflation in the UK is sticky and taking longer than expected to come down.

### Asian Markets

Asian equity markets closed mostly lower overnight, with the Shanghai Composite down -1.3%, as a weaker yuan and developers' debt woes with a number of local government financing vehicles struggling to repay debt on time, added to persistent worries over growth and geopolitics, with investors also continuing to watch how China's new Covid wave, which is forecast to peak at about 65m infections a week toward the end of June, may affect the recovery. The Hang Seng was down -1.6%, Nikkei 225 down -0.9% and KOSPI closed flat.

### ASX Market Update

ASX performance. The S&P/ASX 200 closed -0.6% lower yesterday

Webjet Ltd (WEB) was up +3.8%, after reporting FY23 net income of A\$14.5m vs loss of A\$81.6m y/y and announcing it has seen a strong start to FY24 with WebBeds Bookings and TTV up +35% y/y and +40% y/y, respectively, for the first seven weeks of trading.

Today's trading. In the U.S., GDP data is anticipated

ASX Performance	1D Chg (%)	5D Chg (%)
ASX/S&P 200	-0.6%	0.2%
ASX/S&P All Ords	-0.7%	0.0%

### By Sector

Banks	0.1%	2.1%
Insurance	-0.1%	3.3%
Diversified Financials	-1.1%	2.2%
Real Estate	-0.9%	-0.8%
Consumer Discretionary	-1.0%	-2.5%
Industrials	0.0%	-0.2%
Telcos	-0.1%	-0.1%
Utilities	0.4%	-0.3%
Healthcare	-1.1%	-0.3%
Consumer Staples	0.3%	-0.4%
Energy	0.7%	3.1%
Metals & Mining	-1.7%	-1.8%

ASX200 Top 5	Price (A\$)	1D Chg (%)
WEST AFRICAN RESOURCES LT	0.90	4.7%
WEBJET LTD	7.58	3.8%
KAROON ENERGY LTD	2.07	3.0%
RAMELIUS RESOURCES LTD	1.41	2.2%
CAPRICORN METALS LTD	4.31	2.1%

ASX200 Bottom 5	Price (A\$)	1D Chg (%)
LOVISA HOLDINGS LTD	22.04	-6.9%
NOVONIX LTD	0.93	-5.1%
EAGERS AUTOMOTIVE LTD	12.85	-4.9%
SAYONA MINING LTD	0.21	-4.5%
LAKE RESOURCES NL	0.56	-4.3%

Market Valuations	PE-Multiple	Div. Yield
<b>ASX200</b>	<b>14.6.x</b>	<b>4.3%</b>
FTSE 100 Index	10.5.x	4.2%
DAX Index	11.2.x	3.5%
CAC 40 Index	12.4.x	3.3%
S&P 500 Index	18.8.x	1.7%
Dow Jones Ind. Avg	16.9.x	2.2%
NASDAQ	26.1.x	0.8%
NZX All Ords	23.7.x	3.9%
HANG SENG Index	9.3.x	3.9%
NIKKEI 225	18.5.x	2.0%
Shanghai Composite	11.1.x	3.1%

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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	32,800	-0.8%	-3.2%	-4.1%	2.7%
S&P 500	USD	4,115	-0.7%	-0.5%	2.2%	4.4%
NASDAQ Composite	USD	12,484	-0.6%	3.7%	10.6%	10.8%
Stoxx Europe 600	EUR	458	-1.8%	-2.4%	3.8%	6.0%
FTSE 100 (UK)	GBP	7,627	-1.7%	-3.6%	2.1%	1.9%
DAX (Germany)	EUR	15,842	-1.9%	-0.1%	9.0%	13.8%
CAC (France)	EUR	7,253	-1.7%	-4.2%	8.1%	16.0%
Nikkei 225	JPY	30,683	-0.9%	7.2%	8.5%	15.0%
ASX 200	AUD	7,214	-0.6%	-1.5%	-0.6%	0.8%
ASX 200 Futures	AUD	7,183	-0.6%	-2.3%	-0.8%	3.0%
<b>Emerging Markets Equities</b>						
MSCI Emerging Markets	USD	979	-0.5%	0.1%	3.5%	-3.8%
Hang Seng (HK)	HKD	19,116	-1.6%	-2.6%	8.8%	-5.2%
Shanghai Composite	CNY	3,205	-1.3%	-1.8%	3.3%	3.1%
Korea	KRW	2,567	0.0%	3.2%	5.3%	-1.9%
Taiwan	TWD	16,159	-0.2%	5.1%	9.3%	0.3%
Brazil	BRL	1,08,801	-1.0%	4.7%	-2.7%	-1.6%
Bombay Stock Exchange (India)	INR	61,774	-0.3%	2.7%	-0.8%	14.9%
South Africa	ZAR	70,332	-1.6%	-3.0%	5.3%	15.0%
<b>Foreign Exchange</b>						
AUD / USD	Currency	0.6543	-1.0%	-2.3%	-3.3%	-7.9%
AUD / GBP	Currency	0.5291	-0.6%	-1.3%	-5.3%	-6.7%
AUD / EUR	Currency	0.6084	-0.9%	0.4%	-6.4%	-8.1%
AUD / CNY	Currency	4.6147	-1.1%	0.0%	-4.7%	-1.8%
<b>Commodities</b>						
LME ALUMINUM 3MO (\$)	USD/mt	2,227	-1.6%	-7.1%	-7.1%	-24.7%
LME COPPER 3MO (\$)	USD/mt	8,102	-0.3%	-7.9%	1.2%	-15.1%
LME NICKEL 3MO (\$)	USD/mt	21,047	-1.7%	-14.0%	-20.0%	-24.1%
Platinum Spot \$/Oz	USD/oz	1,028	-2.7%	-5.7%	3.7%	7.4%
Palladium Spot \$/Oz	USD/oz	1,420	-2.5%	-7.8%	-24.8%	-29.3%
SILVER FUTURE Jul23	USD/oz	23.19	-1.9%	-9.2%	6.4%	1.5%
ICE Newc Coal Fut Aug23	USD/mt	147.60	-7.6%	-24.1%	-52.2%	-39.4%
Iron Ore Spot Price Index 62% (CFR Qingdao Port)	USD/t	98.78	-1.3%	-6.9%	7.7%	-25.0%
Gold Spot \$/Oz	USD/oz	1,959	-0.8%	-1.5%	11.6%	4.9%
WTI Oil	USD/bbl	73.87	1.3%	-6.0%	-4.4%	-17.1%
Henry Hub	USD/mmBtu	2.22	-3.5%	0.9%	-65.1%	-73.1%
Corn	USD/Bu	587.75	1.8%	-9.8%	-11.4%	-23.8%
Wheat	USD/Bu	605.50	-2.7%	-5.9%	-23.7%	-47.6%
<b>Fixed Interest</b>						
<b>10-Yr Bond Yield</b>						
Australia	AUD	3.65%	-0.1%	5.9%	2.9%	9.9%
U.S.	USD	3.74%	1.4%	7.2%	1.3%	36.0%
Germany	EUR	2.47%	0.1%	-1.4%	33.6%	155.6%
Japan	JPY	0.41%	2.5%	-12.5%	66.9%	74.7%
Italy	EUR	4.34%	0.4%	-1.0%	18.1%	45.6%
<b>Australian Rates</b>						
Cash Rate	AUD	3.85%	6.9%	6.9%	35.1%	3750.0%
90-Day BBSW	AUD	3.92%	-0.1%	6.3%	26.5%	264.2%
180-Day BBSW	AUD	4.11%	-0.5%	6.2%	14.7%	124.3%
<b>CBOE Options</b>						
CBOE VIX (Volatility Index)	Index	20.08	8.4%	18.9%	-1.3%	-31.8%

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