

Morning Report

Global Markets Update - 26 May 2023

US Markets

Equity markets closed mostly higher overnight, with the S&P 500 up +0.9%, Dow Jones down -0.1% and NASDAQ up +1.7%, after GOP Representative Patrick McHenry said debt differences are narrowing but no deal has been reached yet.

Long-dated U.S. treasury yields were higher, with the 2-Yr yield at 4.529% and the 10-Yr yield at 3.819%, as investors fully priced in another 25bps interest-rate increase by the Fed within the next two policy meetings and a more than one-in-two chance that hike could arrive as soon as next month.

European Markets

European equity markets closed lower overnight, with the Stoxx Europe 600 down -0.3%, after Bundesbank President Joachim Nagel said ECB Governing Council will continue on this monetary tightening path to overcome high inflation. German DAX was down -0.3%, after data revealed Germany suffered its first recession since the start of pandemic in 1Q23 with GDP shrinking -0.3% q/q, primarily driven by a decline in consumer spending and a plunge in government expenditure. The U.K. FTSE 100 declined -0.7%.

Asian Markets

Asian equity markets closed mostly lower overnight, with the Shanghai Composite down -0.1%, Hang Seng down -1.9% and Nikkei 225 up +0.4%. KOSPI declined -0.5%, after BOK left interest rates unchanged for a third straight meeting at 3.5%, while reinforcing its message that persistent inflation means an additional hike is still possible as the bank maintained their projection for a 3.5% increase in CPI in 2023 before easing to 2.4% in 2024 from a prior forecast of 2.6%, while boosting 2023 core CPI forecast by +30bps to 3.3% and downgrading GDP outlook for 2023 by -20bps to +1.4% and for 2024 by -10bps to +2.3%.

ASX Market Update

ASX performance. The S&P/ASX 200 closed -1.0% lower yesterday.

Adbri Ltd (ABC) surged +21.9%, after noting strong demand and stronger y/y performance at its AGM.

Today's trading. In Australia, retail sales data is anticipated

ASX Performance	1D Chg (%)	5D Chg (%)
ASX/S&P 200	-1.0%	-1.4%
ASX/S&P All Ords	-1.0%	-1.5%

By Sector

Banks	-2.1%	-0.6%
Insurance	-0.7%	1.7%
Diversified Financials	-1.8%	-0.3%
Real Estate	-0.5%	-0.9%
Consumer Discretionary	-1.1%	-3.3%
Industrials	-0.2%	-0.8%
Telcos	-0.4%	0.0%
Utilities	0.1%	-0.6%
Healthcare	0.3%	0.3%
Consumer Staples	-0.5%	-1.0%
Energy	-0.6%	1.6%
Metals & Mining	-1.8%	-4.6%

ASX200 Top 5	Price (A\$)	1D Chg (%)
ADBRI LTD	1.95	21.9%
MEGAPORT LTD	6.44	12.8%
COSTA GROUP HOLDINGS LTD	2.54	6.7%
NEXTDC LTD	12.19	4.4%
ALTium LTD	38.48	4.3%

ASX200 Bottom 5	Price (A\$)	1D Chg (%)
TREASURY WINE ESTATES LTD	11.76	-7.8%
GOLD ROAD RESOURCES LTD	1.75	-6.4%
ST BARBARA LTD	0.54	-6.1%
REGIS RESOURCES LTD	1.95	-5.6%
DOMINO'S PIZZA ENTERPRISE:	45.69	-5.4%

Market Valuations	PE-Multiple	Div. Yield
ASX200	14.4.x	4.3%
FTSE 100 Index	10.4.x	4.2%
DAX Index	11.2.x	3.5%
CAC 40 Index	12.4.x	3.3%
S&P 500 Index	18.9.x	1.7%
Dow Jones Ind. Avg	16.8.x	2.2%
NASDAQ	26.9.x	0.8%
NZX All Ords	23.7.x	3.9%
HANG SENG Index	9.1.x	4.0%
NIKKEI 225	18.6.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
Developed Markets Equities						
Dow Jones	USD	32,765	-0.1%	-2.3%	-4.6%	2.0%
S&P 500	USD	4,151	0.9%	2.0%	3.1%	4.3%
NASDAQ Composite	USD	12,698	1.7%	7.6%	13.1%	11.0%
Stoxx Europe 600	EUR	456	-0.3%	-2.3%	3.5%	5.0%
FTSE 100 (UK)	GBP	7,571	-0.7%	-4.1%	1.1%	0.6%
DAX (Germany)	EUR	15,794	-0.3%	-0.5%	8.6%	12.7%
CAC (France)	EUR	7,229	-0.3%	-4.0%	7.7%	14.8%
Nikkei 225	JPY	30,801	0.4%	8.4%	8.9%	15.8%
ASX 200	AUD	7,138	-1.0%	-2.4%	-1.7%	0.5%
ASX 200 Futures	AUD	7,153	0.0%	-2.4%	-1.2%	3.1%
Emerging Markets Equities						
MSCI Emerging Markets	USD	971	-0.8%	0.5%	3.2%	-4.8%
Hang Seng (HK)	HKD	18,747	-1.9%	-5.1%	6.7%	-6.8%
Shanghai Composite	CNY	3,201	-0.1%	-1.9%	3.2%	2.5%
Korea	KRW	2,555	-0.5%	2.8%	4.8%	-2.2%
Taiwan	TWD	16,292	0.8%	6.0%	10.2%	2.0%
Brazil	BRL	1,10,157	1.2%	6.7%	1.1%	-0.4%
Bombay Stock Exchange (India)	INR	61,873	0.2%	2.6%	-0.7%	14.0%
South Africa	ZAR	70,971	0.9%	-1.9%	6.3%	16.0%
Foreign Exchange						
AUD / USD	Currency	0.6504	-0.6%	-1.8%	-3.7%	-8.3%
AUD / GBP	Currency	0.5279	-0.2%	-1.1%	-5.4%	-6.4%
AUD / EUR	Currency	0.6065	-0.4%	0.5%	-6.6%	-8.6%
AUD / CNY	Currency	4.6043	-0.2%	0.4%	-4.6%	-2.7%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,205	-1.0%	-7.4%	-6.9%	-24.0%
LME COPPER 3MO (\$)	USD/mt	7,902	-2.5%	-9.5%	-1.7%	-16.4%
LME NICKEL 3MO (\$)	USD/mt	20,732	-1.5%	-15.7%	-20.6%	-21.9%
Platinum Spot \$/Oz	USD/oz	1,025	-0.3%	-6.2%	4.2%	7.9%
Palladium Spot \$/Oz	USD/oz	1,421	0.2%	-5.0%	-23.1%	-29.2%
SILVER FUTURE Jul23	USD/oz	22.84	-1.7%	-9.0%	4.6%	0.9%
ICE Newc Coal Fut Jun23	USD/mt	140.50	-6.3%	-26.7%	-56.1%	-44.4%
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	1,941	-0.8%	-2.8%	10.6%	4.7%
WTI Oil	USD/bbl	71.96	-3.2%	-6.4%	-5.3%	-19.8%
Henry Hub	USD/mmBtu	2.25	1.4%	3.2%	-64.6%	-74.4%
Corn	USD/Bu	591.25	0.7%	-8.5%	-11.5%	-23.4%
Wheat	USD/Bu	606.25	0.0%	-5.1%	-21.8%	-47.2%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	3.70%	1.5%	7.4%	3.6%	14.2%
U.S.	USD	3.82%	2.1%	12.3%	3.9%	39.1%
Germany	EUR	2.52%	2.0%	5.8%	27.8%	164.9%
Japan	JPY	0.43%	3.1%	-10.9%	68.1%	100.5%
Italy	EUR	4.40%	1.4%	2.9%	14.1%	48.9%
Australian Rates						
Cash Rate	AUD	3.85%	6.9%	6.9%	35.1%	3750.0%
90-Day BBSW	AUD	3.94%	0.6%	7.1%	27.3%	263.1%
180-Day BBSW	AUD	4.13%	0.6%	7.0%	15.0%	126.3%
CBOE Options						
CBOE VIX (Volatility Index)	Index	19.04	-4.9%	1.5%	-7.1%	-32.9%

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