

Morning Report

Global Markets Update - 29 May 2023

US Markets

Equity markets closed higher on Friday, with the S&P 500 up +1.3%, Dow Jones up +1.0% and NASDAQ up +2.2%, as US negotiators appeared to be moving closer to an agreement to raise the US debt limit and cap federal spending for two years while the Treasury Department signalled extra time until June 5 was available before a potential US default. US 5-10-year inflation expectations retreated -10bps to 3.1% and 1-year expectations declined -30bps to 4.2% in May, however, consumer sentiment remained lower amid the debt-ceiling drama.

Long-dated U.S. treasury yields were mixed, with the 2-Yr yield higher at 4.562% and the 10-Yr yield lower at 3.798%.

European Markets

European equity markets closed higher on Friday, with the Stoxx Europe 600 up +1.1% and German DAX up +1.2%. The U.K. FTSE 100 pared some intraday gains to close +0.7% higher, as sentiment was hit after UK Chancellor of the Exchequer Jeremy Hunt said he's in favor of higher interest rates to tackle inflation, even if it causes a recession

Asian Markets

Asian equity markets closed higher on Friday, with the Shanghai Composite up +0.4%, as top commerce officials from the U.S. and China agreed to strengthen communications. The Hang Seng was closed for a holiday and KOSPI was up +0.2%. Nikkei 225 was up +0.4%, as investors continued to bet BOJ would keep its ultra loose monetary policy after data revealed inflation in Tokyo slowed in May with CPI climbing 3.2% y/y, with the deceleration largely reflecting a decline in electricity and gas prices, amid ongoing government subsidies.

ASX Market Update

The S&P/ASX 200 closed +0.2% higher on Friday. Australian retail sales were flat in April driven by weaker food-related spending, ending a three-month streak of gains, suggesting consumers are reining in spending as interest rates near a peak and cost of living pressures remain elevated.

Fisher & Paykel Healthcare Corp Ltd (FPH) was down -6.3%, after reporting -34% y/y decline in FY23 net income to NZ\$250.3m, that came in below consensus estimate of NZ\$253.8m.

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

ASX Performance

	1D Chg (%)	5D Chg (%)
ASX/S&P 200	0.2%	-1.7%
ASX/S&P All Ords	0.2%	-1.8%

By Sector

	1D Chg (%)	5D Chg (%)
Banks	0.4%	-1.8%
Insurance	0.7%	0.9%
Diversified Financials	0.3%	-1.3%
Real Estate	-0.7%	-2.2%
Consumer Discretionary	0.5%	-3.2%
Industrials	-0.5%	-1.2%
Telcos	0.5%	-0.4%
Utilities	0.4%	0.2%
Healthcare	-0.8%	-0.9%
Consumer Staples	-0.5%	-1.9%
Energy	-0.3%	1.1%
Metals & Mining	0.9%	-3.5%

ASX200 Top 5

	Price (A\$)	1D Chg (%)
MEGAPORT LTD	6.84	6.2%
BRAINCHIP HOLDINGS LTD	0.43	6.2%
ADBRI LTD	2.06	5.6%
COSTA GROUP HOLDINGS LTD	2.64	3.9%
ALTIVUM LTD	39.85	3.6%

ASX200 Bottom 5

	Price (A\$)	1D Chg (%)
FISHER & PAYKEL HEALTHCARE	22.48	-6.3%
CSR LTD	5.08	-5.0%
BLOCK INC - CDI	90.40	-4.8%
NEW HOPE CORP LTD	4.95	-2.6%
MONADELPHOUS GROUP LTD	12.52	-2.4%

Market Valuations

	PE-Multiple	Div. Yield
ASX200	14.4.x	4.3%
FTSE 100 Index	10.5.x	4.2%
DAX Index	11.3.x	3.5%
CAC 40 Index	12.5.x	3.3%
S&P 500 Index	19.2.x	1.7%
Dow Jones Ind. Avg	17.0.x	2.2%
NASDAQ	27.5.x	0.8%
NZX All Ords	23.4.x	3.4%
HANG SENG Index	9.1.x	4.0%
NIKKEI 225	18.7.x	2.0%
Shanghai Composite	11.2.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	33,093	1.0%	-0.6%	-3.7%	1.4%
S&P 500	USD	4,205	1.3%	3.7%	4.5%	3.6%
NASDAQ Composite	USD	12,976	2.2%	9.5%	15.6%	10.5%
Stoxx Europe 600	EUR	461	1.1%	-1.1%	5.5%	3.9%
FTSE 100 (UK)	GBP	7,627	0.7%	-3.1%	1.5%	0.6%
DAX (Germany)	EUR	15,984	1.2%	0.4%	11.3%	10.5%
CAC (France)	EUR	7,319	1.2%	-2.3%	9.7%	12.3%
Nikkei 225	JPY	30,916	0.4%	7.1%	10.3%	15.4%
ASX 200	AUD	7,155	0.2%	-2.1%	-1.4%	-0.4%
ASX 200 Futures	AUD	7,245	1.0%	-1.0%	0.3%	3.3%
Emerging Markets Equities						
MSCI Emerging Markets	USD	973	0.9%	0.5%	3.4%	-4.9%
Hang Seng (HK)	HKD	18,747	-1.9%	-5.1%	6.7%	-6.8%
Shanghai Composite	CNY	3,213	0.4%	-3.3%	2.0%	2.6%
Korea	KRW	2,559	0.2%	2.3%	5.2%	-3.0%
Taiwan	TWD	16,505	1.3%	5.9%	12.2%	1.5%
Brazil	BRL	1,10,906	0.8%	8.4%	1.8%	-0.9%
Bombay Stock Exchange (India)	INR	62,502	1.0%	2.3%	-0.3%	13.9%
South Africa	ZAR	71,404	0.6%	-1.6%	6.9%	11.8%
Foreign Exchange						
AUD / USD	Currency	0.6517	0.2%	-1.3%	-2.0%	-8.2%
AUD / GBP	Currency	0.5279	0.0%	-0.3%	-5.1%	-6.3%
AUD / EUR	Currency	0.6076	0.2%	1.6%	-5.5%	-8.2%
AUD / CNY	Currency	4.6054	0.0%	0.8%	-4.5%	-3.4%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,231	1.2%	-4.5%	-5.6%	-22.4%
LME COPPER 3MO (\$)	USD/mt	7,963	0.8%	-6.6%	-0.6%	-15.0%
LME NICKEL 3MO (\$)	USD/mt	21,228	2.4%	-9.1%	-16.5%	-20.8%
Platinum Spot \$/Oz	USD/oz	1,026	0.1%	-5.9%	3.4%	7.8%
Palladium Spot \$/Oz	USD/oz	1,426	0.3%	-5.6%	-22.8%	-29.3%
SILVER FUTURE Jul23	USD/oz	23.36	2.0%	-6.8%	7.0%	2.8%
ICE Newc Coal Fut Jul23	USD/mt	137.15	-1.3%	-30.1%	-56.5%	-44.8%
Iron Ore Spot Price Index 62% (CFR Qingdao Port)	USD/t	95.19	-0.7%	-9.2%	0.7%	-26.0%
Gold Spot \$/Oz	USD/oz	1,946	0.3%	-2.1%	11.8%	5.2%
WTI Oil	USD/bbl	72.67	1.2%	-2.0%	-4.4%	-20.4%
Henry Hub	USD/mmBtu	1.88	-15.7%	-14.2%	-70.4%	-79.3%
Corn	USD/Bu	604.00	2.2%	-5.8%	-9.6%	-21.0%
Wheat	USD/Bu	616.00	1.9%	-1.8%	-20.6%	-46.1%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	3.73%	0.8%	12.9%	4.4%	16.5%
U.S.	USD	3.80%	-0.5%	10.1%	3.3%	38.3%
Germany	EUR	2.54%	0.6%	5.9%	28.6%	154.3%
Japan	JPY	0.42%	-1.4%	-9.5%	65.7%	75.4%
Italy	EUR	4.39%	-0.1%	2.8%	14.0%	51.7%
Australian Rates						
Cash Rate	AUD	3.85%	6.9%	6.9%	35.1%	3750.0%
90-Day BBSW	AUD	3.95%	0.2%	8.7%	28.4%	258.9%
180-Day BBSW	AUD	4.15%	0.4%	9.9%	16.6%	122.3%
CBOE Options						
CBOE VIX (Volatility Index)	Index	17.95	-6.2%	-4.7%	-12.4%	-34.7%

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