

Morning Report

Global Markets Update - 30 May 2023

US Markets

Equity markets were closed for a holiday in observance of Memorial Day. President Joe Biden and House Speaker Kevin McCarthy reached a debt-ceiling deal, expressing confidence that their agreement to curtail spending and extend the borrowing limit will pass through Congress.

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

European Markets

European equity markets closed lower overnight, with the Stoxx Europe 600 down -0.1%, with Spain's benchmark underperforming after Prime Minister Pedro Sanchez called a surprise snap election following heavy losses for his party in regional and local elections on Sunday. German DAX was down -0.2% and U.K. FTSE 100 was closed for a holiday. Recep Tayyip Erdogan won a presidential runoff election on Sunday in Turkey, extending his time as the nation's longest-serving leader and leaving investors looking for any signs he'll start to relax the state's tight grip over markets

Asian Markets

Asian equity markets closed mostly higher overnight, with the Shanghai Composite paring most intraday gains to close +0.3% higher, after data revealed profits at industrial firms in China kept falling in the first four months of the year with industrial profits declining -20.6% y/y in the January-April period, underlining cooling demand and deepening factory-gate deflation in the world's second-largest economy, with investors also remaining on alert over geopolitical tensions after US officials said they won't tolerate the decision by Beijing to ban chips by Micron. The Hang Seng was down -1.0%, KOSPI closed for a holiday in observance of Vesak Day and Nikkei 225 gained +1.0%.

ASX Market Update

The S&P/ASX 200 closed +0.9% higher yesterday

IDP Education Ltd (IEL) slumped -15.9%, after Canada announced it will accept English language proficiency results from four new tests in the Student-Direct-Stream visa program starting in August. ALS Ltd (ALQ) was down -4.2%, after reporting FY23 net income of A\$291.2m, up +53% y/y, that came in below consensus estimate of A\$304.6m.

Today's trading. In Australia, building approvals data is anticipated.

ASX Performance

	1D Chg (%)	5D Chg (%)
ASX/S&P 200	0.9%	-0.6%
ASX/S&P All Ords	0.8%	-0.7%

By Sector

	1D Chg (%)	5D Chg (%)
Banks	1.3%	0.4%
Insurance	0.7%	1.2%
Diversified Financials	1.4%	0.1%
Real Estate	2.0%	0.5%
Consumer Discretionary	-0.6%	-3.3%
Industrials	0.5%	-0.7%
Telcos	0.0%	0.3%
Utilities	0.7%	1.3%
Healthcare	0.9%	-0.5%
Consumer Staples	0.6%	-1.0%
Energy	0.7%	0.8%
Metals & Mining	1.1%	-2.2%

ASX200 Top 5

	Price (A\$)	1D Chg (%)
BRAINCHIP HOLDINGS LTD	0.45	4.7%
CHARTER HALL SOCIAL INFRA	3.02	4.5%
ADBRI LTD	2.15	4.4%
SYRAH RESOURCES LTD	0.90	4.1%
LYNAS RARE EARTHS LTD	7.65	3.8%

ASX200 Bottom 5

	Price (A\$)	1D Chg (%)
IDP EDUCATION LTD	21.71	-15.9%
TELIX PHARMACEUTICALS LTD	11.11	-6.1%
ALS LTD	11.75	-4.2%
MEGAPORT LTD	6.58	-3.8%
WHITEHAVEN COAL LTD	6.13	-2.7%

Market Valuations

	PE-Multiple	Div. Yield
ASX200	14.5.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	1.9%
Dow Jones Ind. Avg	17.0.x	3.1%
NASDAQ	27.3.x	0.8%
NZX All Ords	23.7.x	3.4%
HANG SENG Index	9.0.x	4.0%
NIKKEI 225	23.9.x	1.9%
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%	-2.9%	-2.2%	-0.4%
S&P 500	USD	4,205	1.3%	0.9%	6.3%	1.1%
NASDAQ Composite	USD	12,976	2.2%	6.1%	18.1%	7.0%
Stoxx Europe 600	EUR	461	-0.1%	-1.2%	5.4%	3.8%
FTSE 100 (UK)	GBP	7,627	0.7%	-3.1%	1.5%	0.6%
DAX (Germany)	EUR	15,953	-0.2%	0.2%	11.1%	10.3%
CAC (France)	EUR	7,304	-0.2%	-2.5%	9.5%	12.1%
Nikkei 225	JPY	31,234	1.0%	8.2%	11.7%	14.1%
ASX 200	AUD	7,217	0.9%	-1.3%	-0.9%	-0.9%
ASX 200 Futures	AUD	7,227	-0.1%	-1.2%	-0.6%	1.5%
Emerging Markets Equities						
MSCI Emerging Markets	USD	973	0.9%	-0.4%	2.1%	-6.7%
Hang Seng (HK)	HKD	18,551	-1.0%	-6.8%	-0.2%	-12.2%
Shanghai Composite	CNY	3,221	0.3%	-3.1%	2.2%	2.3%
Korea	KRW	2,559	0.2%	2.3%	5.2%	-3.0%
Taiwan	TWD	16,636	0.8%	6.8%	11.8%	0.2%
Brazil	BRL	1,10,524	-0.3%	5.8%	-0.3%	-1.3%
Bombay Stock Exchange (India)	INR	62,846	0.6%	2.8%	-0.4%	12.4%
South Africa	ZAR	71,444	0.1%	-1.6%	6.9%	11.8%
Foreign Exchange						
AUD / USD	Currency	0.6540	0.4%	-1.4%	-2.2%	-9.1%
AUD / GBP	Currency	0.5291	0.2%	-0.3%	-5.4%	-7.0%
AUD / EUR	Currency	0.6105	0.4%	1.1%	-5.7%	-8.6%
AUD / CNY	Currency	4.6244	0.4%	0.8%	-4.1%	-3.6%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,238	0.3%	-3.8%	-5.3%	-21.9%
LME COPPER 3MO (\$)	USD/mt	8,135	2.2%	-4.9%	1.6%	-13.0%
LME NICKEL 3MO (\$)	USD/mt	21,162	-0.3%	-10.5%	-16.7%	-22.2%
Platinum Spot \$/Oz	USD/oz	1,030	0.3%	-2.5%	2.4%	7.1%
Palladium Spot \$/Oz	USD/oz	1,422	-0.3%	-2.5%	-22.6%	-30.1%
SILVER FUTURE Jul23	USD/oz	23.30	-0.3%	-7.6%	7.1%	1.9%
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	99.27	4.3%	-6.3%	5.0%	-21.1%
Gold Spot \$/Oz	USD/oz	1,945	-0.1%	-1.9%	11.1%	4.8%
WTI Oil	USD/bbl	72.62	-0.1%	-5.2%	-6.4%	-21.0%
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	3.70%	-0.8%	10.9%	2.7%	13.7%
U.S.	USD	3.80%	0.0%	11.0%	1.4%	38.7%
Germany	EUR	2.43%	-4.1%	5.2%	26.6%	152.8%
Japan	JPY	0.44%	4.8%	11.9%	74.3%	89.3%
Italy	EUR	4.28%	-2.6%	2.4%	11.9%	47.4%
Australian Rates						
Cash Rate	AUD	3.85%	6.9%	6.9%	35.1%	3750.0%
90-Day BBSW	AUD	3.95%	0.2%	7.6%	28.6%	237.9%
180-Day BBSW	AUD	4.18%	0.7%	8.9%	17.4%	117.4%
CBOE Options						
CBOE VIX (Volatility Index)	Index	17.46	-2.7%	10.6%	-20.2%	-32.1%

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