

# Morning Report

## Global Markets Update - 01 June 2023

### US Markets

Equity markets closed lower overnight, with both the S&P 500 and NASDAQ down -0.6% and Dow Jones closing -0.4% lower, after data revealed vacancies at US employers unexpectedly surged in April to the highest in three months

Long-dated U.S. treasury yields were lower, with the 2-Yr yield at 4.397% and the 10-Yr yield at 3.637%, after some Fed officials signaled a potential pause in interest-rate hikes as early as June as Fed's Beige Book revealed hiring and inflation cooled across the U.S. in recent weeks.

### European Markets

European equity markets closed lower overnight, with the Stoxx Europe 600 down -1.1% and German DAX down -1.5%. The U.K. FTSE 100 declined -1.0%, after BOE policy maker Catherine Mann said core-CPI is still uncomfortably high as Britain's pandemic-era "excess savings" are still fueling inflation. Germany saw a steep slowdown in inflation in May with CPI rising +6.1% y/y and declining -0.1% MoM.

### Asian Markets

Asian equity markets closed lower overnight, with the Shanghai Composite down -0.6% and Hang Seng declining -1.9% to close in a bear market, after data revealed China's economic recovery weakened in May with manufacturing activity contracting at a worse pace than in April and services expansion easing. KOSPI was down -0.3%, led by declines in semiconductor stocks after data revealed South Korea's semiconductor inventory surged by the most in seven years in April with stockpiles rising 83% y/y, the biggest increase since April 2016 with the index tracking inventories jumping to a record, meanwhile, factory shipments fell -33% y/y and production was cut -20%. Nikkei 225 declined -1.4%.

### ASX Market Update

The S&P/ASX 200 closed -1.6% lower yesterday, after data which revealed Australia's inflation accelerated faster than expected in April with CPI advancing +6.8% y/y driven by higher fuel and housing prices, boosted the chance of another interest-rate increase next week

Bank of Queensland Ltd (BOQ) was down -5.4%, after been hit with enforceable undertakings by AUSTRAC and APRA for failing to have sufficient anti-money laundering and risk management controls in place.

Today's trading. In Australia, private capex data is anticipated.

### ASX Performance

|                  | 1D Chg (%) | 5D Chg (%) |
|------------------|------------|------------|
| ASX/S&P 200      | -1.6%      | -1.7%      |
| ASX/S&P All Ords | -1.5%      | -1.6%      |

### By Sector

|                        |       |       |
|------------------------|-------|-------|
| Banks                  | -2.2% | -3.1% |
| Insurance              | -0.8% | 0.3%  |
| Diversified Financials | -2.1% | -2.6% |
| Real Estate            | -1.4% | -1.6% |
| Consumer Discretionary | -1.9% | -3.2% |
| Industrials            | -0.2% | -0.3% |
| Telcos                 | -0.7% | 0.1%  |
| Utilities              | -0.4% | 0.8%  |
| Healthcare             | -0.7% | -0.1% |
| Consumer Staples       | -1.5% | -2.0% |
| Energy                 | -2.5% | -3.4% |
| Metals & Mining        | -2.2% | -1.8% |

### ASX200 Top 5

|                           | Price (A\$) | 1D Chg (%) |
|---------------------------|-------------|------------|
| IMUGENE LTD               | 0.11        | 4.8%       |
| MEGAPORT LTD              | 6.82        | 4.1%       |
| CORE LITHIUM LTD          | 1.05        | 4.0%       |
| BRAINCHIP HOLDINGS LTD    | 0.46        | 3.4%       |
| TELEX PHARMACEUTICALS LTD | 11.70       | 3.4%       |

### ASX200 Bottom 5

|                         | Price (A\$) | 1D Chg (%) |
|-------------------------|-------------|------------|
| WHITEHAVEN COAL LTD     | 5.66        | -6.4%      |
| BANK OF QUEENSLAND LTD  | 5.47        | -5.4%      |
| INGHAMS GROUP LTD       | 2.82        | -4.7%      |
| PREMIER INVESTMENTS LTD | 22.41       | -4.4%      |
| NEW HOPE CORP LTD       | 4.61        | -4.2%      |

### Market Valuations

|                    | PE-Multiple   | Div. Yield  |
|--------------------|---------------|-------------|
| <b>ASX200</b>      | <b>14.3.x</b> | <b>4.4%</b> |
| FTSE 100 Index     | 10.2.x        | 4.3%        |
| DAX Index          | 11.1.x        | 3.6%        |
| CAC 40 Index       | 12.5.x        | 3.4%        |
| S&P 500 Index      | 19.1.x        | 1.7%        |
| Dow Jones Ind. Avg | 16.9.x        | 2.2%        |
| NASDAQ             | 27.2.x        | 0.8%        |
| NZX All Ords       | 23.4.x        | 3.4%        |
| HANG SENG Index    | 8.8.x         | 4.1%        |
| NIKKEI 225         | 23.5.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       | 32,908        | -0.4%                     | -3.5%   | -4.9%    | -0.2%   |
| S&P 500  | USD       | 4,180         | -0.6%                     | 0.3%    | 2.5%     | 1.2%    |
| NASDAQ Composite                                 | USD       | 12,935        | -0.6%                     | 5.8%    | 12.8%    | 7.1%    |
| Stoxx Europe 600                                 | EUR       | 452           | -1.1%                     | -3.2%   | 2.7%     | 1.9%    |
| FTSE 100 (UK)                                    | GBP       | 7,446         | -1.0%                     | -5.4%   | -1.7%    | -2.1%   |
| DAX (Germany)                                    | EUR       | 15,664        | -1.5%                     | -1.6%   | 8.8%     | 8.9%    |
| CAC (France)                                     | EUR       | 7,099         | -1.5%                     | -5.2%   | 5.3%     | 9.7%    |
| Nikkei 225                                       | JPY       | 30,888        | -1.4%                     | 6.1%    | 9.4%     | 12.5%   |
| ASX 200  | AUD       | 7,091         | -1.6%                     | -3.3%   | -3.6%    | -2.0%   |
| ASX 200 Futures                                  | AUD       | 7,091         | -0.1%                     | -3.4%   | -3.3%    | 0.4%    |
| <b>Emerging Markets Equities</b>                 |           |               |                           |         |          |         |
| MSCI Emerging Markets                            | USD       | 970           | -0.1%                     | -0.7%   | -0.2%    | -10.0%  |
| Hang Seng (HK)                                   | HKD       | 18,234        | -1.9%                     | -8.3%   | -2.7%    | -14.4%  |
| Shanghai Composite                               | CNY       | 3,205         | -0.6%                     | -3.6%   | 1.2%     | 0.7%    |
| Korea  | KRW       | 2,577         | -0.3%                     | 3.0%    | 3.9%     | -4.1%   |
| Taiwan   | TWD       | 16,579        | -0.3%                     | 6.4%    | 10.4%    | -0.6%   |
| Brazil   | BRL       | 1,08,813      | -0.1%                     | 4.2%    | -3.3%    | -2.3%   |
| Bombay Stock Exchange (India)                    | INR       | 62,622        | -0.6%                     | 2.5%    | -1.0%    | 13.1%   |
| South Africa                                     | ZAR       | 69,998        | -1.3%                     | -3.6%   | 2.1%     | 7.0%    |
| <b>Foreign Exchange</b>                          |           |               |                           |         |          |         |
| AUD / USD  | Currency  | 0.6503        | -0.2%                     | -1.9%   | -4.2%    | -9.4%   |
| AUD / GBP  | Currency  | 0.5229        | -0.4%                     | -1.5%   | -7.1%    | -8.2%   |
| AUD / EUR  | Currency  | 0.6083        | 0.2%                      | 0.7%    | -6.7%    | -9.0%   |
| AUD / CNY  | Currency  | 4.6159        | 0.1%                      | 0.6%    | -2.8%    | -3.5%   |
| <b>Commodities</b>                               |           |               |                           |         |          |         |
| LME ALUMINUM 3MO (\$)                            | USD/mt    | 2,224         | -0.6%                     | -5.6%   | -10.2%   | -23.0%  |
| LME COPPER 3MO (\$)                              | USD/mt    | 8,123         | -0.1%                     | -5.5%   | -1.4%    | -14.9%  |
| LME NICKEL 3MO (\$)                              | USD/mt    | 21,027        | -0.6%                     | -13.2%  | -22.1%   | -28.2%  |
| Platinum Spot \$/Oz                              | USD/oz    | 999           | -2.4%                     | -5.4%   | -3.7%    | 3.1%    |
| Palladium Spot \$/Oz                             | USD/oz    | 1,369         | -3.0%                     | -6.2%   | -27.3%   | -31.6%  |
| SILVER FUTURE Jul23                              | USD/oz    | 23.63         | 1.7%                      | -6.3%   | 6.9%     | 5.4%    |
| ICE Newc Coal Fut Oct23                          | USD/mt    | 143.30        | 2.7%                      | -30.5%  | -57.5%   | -45.6%  |
| Iron Ore Spot Price Index 62% (CFR Qingdao Port) | USD/t     | 98.85         | -1.2%                     | -7.2%   | 2.0%     | -24.9%  |
| Gold Spot \$/Oz                                  | USD/oz    | 1,963         | 0.2%                      | -1.0%   | 11.0%    | 6.9%    |
| WTI Oil  | USD/bbl   | 67.87         | -2.3%                     | -11.4%  | -15.2%   | -25.5%  |
| Henry Hub  | USD/mmBtu | 2.10          | 11.7%                     | -7.5%   | -69.1%   | -74.5%  |
| Corn   | USD/Bu    | 593.00        | -0.2%                     | -6.8%   | -10.4%   | -21.3%  |
| Wheat  | USD/Bu    | 593.75        | 0.5%                      | -4.2%   | -23.0%   | -45.4%  |
| <b>Fixed Interest</b>                            |           |               |                           |         |          |         |
| <b>10-Yr Bond Yield</b>                          |           |               |                           |         |          |         |
| Australia  | AUD       | 3.61%         | -2.0%                     | 8.1%    | 2.2%     | 7.6%    |
| U.S.   | USD       | 3.64%         | -1.3%                     | 6.3%    | 0.9%     | 27.9%   |
| Germany  | EUR       | 2.28%         | -2.6%                     | -1.3%   | 18.2%    | 103.4%  |
| Japan  | JPY       | 0.44%         | 0.2%                      | 10.7%   | 72.3%    | 79.4%   |
| Italy  | EUR       | 4.08%         | -1.7%                     | -2.3%   | 5.3%     | 30.8%   |
| <b>Australian Rates</b>                          |           |               |                           |         |          |         |
| Cash Rate  | AUD       | 3.85%         | 6.9%                      | 6.9%    | 35.1%    | 3750.0% |
| 90-Day BBSW                                      | AUD       | 4.03%         | 1.3%                      | 9.7%    | 32.3%    | 238.7%  |
| 180-Day BBSW                                     | AUD       | 4.21%         | 0.6%                      | 9.8%    | 20.8%    | 116.5%  |
| <b>CBOE Options</b>                              |           |               |                           |         |          |         |
| CBOE VIX (Volatility Index)                      | Index     | 17.56         | 0.6%                      | 11.3%   | -14.7%   | -33.0%  |

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