

Morning Report

Global Markets Update - 07 June 2023

US Markets

Equity markets closed mostly higher overnight, with the S&P 500 up +0.2%, NASDAQ up +0.4% and Dow Jones closing flat.

European Markets

European equity markets closed higher overnight, with both the Stoxx Europe 600 and U.K. FTSE 100 up +0.4% and German DAX up +0.2%, after the World Bank raised its world GDP forecast for 2023 by +40bps to 2.1%, citing stronger recent momentum, while downgrading 2024 outlook by -30bps to 2.4%, saying risks to the outlook remain tilted to the downside.

Asian Markets

Asian equity markets closed mixed overnight, with the Shanghai Composite paring some declines to close -1.1% lower, following the news Chinese authorities have asked the nation's biggest banks to lower their deposit rates for at least the second time in less than a year. The Hang Seng was flat with tech stocks gaining following the news US Secretary of State Antony Blinken plans to visit China in the coming weeks for talks with top officials. Nikkei 225 gained +0.9%, after data revealed Japanese workers', real wages continued to fall in April with real cash earnings dropping -3.0% y/y, slipping for the 13th month as overtime pay showed weakness, leading to BOJ Governor Kazuo Ueda reiterating the bank will maintain its easing program until its price goal is achieved in a stable manner.

WTI oil is trading at US\$71.51 a barrel. Iron ore price is at US\$103.24 per ton. Spot gold is trading at US\$1963 per oz.

ASX Market Update

The S&P/ASX 200 closed -1.2% lower yesterday, after RBA unexpectedly raised its key interest rate by +25bps to 4.1%, the highest level since April 2012, bringing its cumulative tightening to 400bps since May last year, and kept the door open to further hikes, fretting that policy needs to be tighter in order to be confident that inflation will return to target in mid-2025.

ASX Ltd (ASX) slumped -10.2%, after forecasting increased costs and capex and revising dividend payout ratio policy starting FY24 to 80-90% of underlying NPAT from 90% for FY23.

Today's trading. In Australia, RBA's cash rate target is anticipated

ASX Performance

	1D Chg (%)	5D Chg (%)
ASX/S&P 200	-1.2%	-1.1%
ASX/S&P All Ords	-1.1%	-0.9%

By Sector

	1D Chg (%)	5D Chg (%)
Banks	-1.3%	-2.9%
Insurance	-0.7%	-1.3%
Diversified Financials	-2.5%	-2.9%
Real Estate	-0.8%	-0.3%
Consumer Discretionary	-2.2%	-2.0%
Industrials	-1.6%	-2.0%
Telcos	-1.1%	-1.5%
Utilities	0.5%	0.3%
Healthcare	-1.4%	-0.5%
Consumer Staples	-1.1%	-2.3%
Energy	-0.6%	-0.8%
Metals & Mining	-0.9%	0.8%

ASX200 Top 5

	Price (A\$)	1D Chg (%)
WHITEHAVEN COAL LTD	6.20	4.4%
NEW HOPE CORP LTD	4.97	3.5%
PILBARA MINERALS LTD	4.65	2.0%
A2 MILK CO LTD	5.44	1.9%
AGL ENERGY LTD	9.54	1.8%

ASX200 Bottom 5

	Price (A\$)	1D Chg (%)
ASX LTD	60.64	-10.2%
BRAINCHIP HOLDINGS LTD	0.42	-8.7%
DOMAIN HOLDINGS AUSTRAL	3.35	-5.6%
IMUGENE LTD	0.10	-4.8%
NANOSONICS LTD	4.98	-4.2%

Market Valuations

	PE-Multiple	Div. Yield
ASX200	14.5.x	4.3%
FTSE 100 Index	10.5.x	4.1%
DAX Index	11.3.x	3.5%
CAC 40 Index	12.6.x	3.3%
S&P 500 Index	19.6.x	1.6%
Dow Jones Ind. Avg	17.3.x	2.2%
NASDAQ	27.9.x	0.8%
NZX All Ords	23.6.x	3.4%
HANG SENG Index	9.4.x	3.8%
NIKKEI 225	25.1.x	1.9%
Shanghai Composite	11.1.x	3.2%

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	Units	Current Value	Price Performance (% Chg)			
			1-day	1-month	6-months	1-year
Developed Markets Equities						
Dow Jones	USD	33,573	0.0%	-0.3%	-0.1%	2.0%
S&P 500	USD	4,284	0.2%	3.6%	8.7%	3.9%
NASDAQ Composite	USD	13,276	0.4%	8.5%	20.5%	10.1%
Stoxx Europe 600	EUR	462	0.4%	-0.8%	5.2%	4.0%
FTSE 100 (UK)	GBP	7,628	0.4%	-1.9%	1.4%	0.3%
DAX (Germany)	EUR	15,992	0.2%	0.2%	11.5%	9.1%
CAC (France)	EUR	7,209	0.1%	-3.0%	7.8%	10.1%
Nikkei 225	JPY	32,507	0.9%	11.5%	17.4%	16.3%
ASX 200	AUD	7,130	-1.2%	-1.3%	-1.4%	0.5%
ASX 200 Futures	AUD	7,173	0.5%	-0.7%	-0.5%	3.5%
Emerging Markets Equities						
MSCI Emerging Markets	USD	987	0.2%	0.5%	1.4%	-7.9%
Hang Seng (HK)	HKD	19,099	0.0%	-4.7%	1.5%	-11.3%
Shanghai Composite	CNY	3,195	-1.1%	-4.2%	-0.1%	-1.4%
Korea	KRW	2,615	0.5%	4.6%	9.3%	-2.1%
Taiwan	TWD	16,762	0.3%	7.3%	14.6%	1.5%
Brazil	BRL	1,14,611	1.7%	9.0%	4.0%	4.0%
Bombay Stock Exchange (India)	INR	62,793	0.0%	2.8%	0.6%	13.9%
South Africa	ZAR	71,632	0.3%	-1.2%	4.7%	11.0%
Foreign Exchange						
AUD / USD	Currency	0.6672	0.8%	-1.6%	-0.2%	-7.2%
AUD / GBP	Currency	0.5370	0.9%	-0.1%	-2.6%	-6.4%
AUD / EUR	Currency	0.6240	1.0%	1.2%	-2.3%	-7.2%
AUD / CNY	Currency	4.7499	1.1%	1.3%	1.4%	-0.7%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,244	-0.9%	-3.2%	-11.0%	-17.7%
LME COPPER 3MO (\$)	USD/mt	8,335	1.2%	-2.9%	-0.7%	-12.3%
LME NICKEL 3MO (\$)	USD/mt	20,898	-1.5%	-14.8%	-27.1%	-25.7%
Platinum Spot \$/Oz	USD/oz	1,037	0.4%	-3.6%	4.6%	1.4%
Palladium Spot \$/Oz	USD/oz	1,416	0.1%	-9.0%	-23.5%	-29.4%
SILVER FUTURE Jul23	USD/oz	23.68	0.2%	-8.7%	4.3%	3.8%
ICE Newc Coal Fut Oct23	USD/mt	146.35	-1.8%	-23.6%	-57.7%	-43.2%
Iron Ore Spot Price Index 62% (CFR Qingdao Port)	USD/t	103.24	1.4%	-3.1%	2.8%	-23.6%
Gold Spot \$/Oz	USD/oz	1,963	0.1%	-2.9%	10.9%	6.6%
WTI Oil	USD/bbl	71.51	-0.9%	0.3%	-4.5%	-24.3%
Henry Hub	USD/mmBtu	1.93	7.6%	4.3%	-51.8%	-76.9%
Corn	USD/Bu	607.50	1.7%	-7.0%	-2.9%	-18.2%
Wheat	USD/Bu	627.25	0.5%	-3.1%	-11.1%	-42.6%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	3.80%	0.5%	14.6%	12.0%	9.2%
U.S.	USD	3.68%	-0.1%	7.0%	4.2%	21.0%
Germany	EUR	2.37%	-0.4%	3.5%	31.8%	79.4%
Japan	JPY	0.43%	-1.8%	1.2%	66.4%	73.9%
Italy	EUR	4.16%	0.4%	-0.9%	13.8%	21.7%
Australian Rates						
Cash Rate	AUD	4.10%	6.5%	6.5%	32.3%	1071.4%
90-Day BBSW	AUD	4.18%	2.7%	7.6%	34.0%	238.1%
180-Day BBSW	AUD	4.44%	3.1%	10.3%	25.6%	121.2%
CBOE Options						
CBOE VIX (Volatility Index)	Index	14.02	-4.8%	-18.4%	-36.8%	-44.1%

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