

Morning Report

Global Markets Update - 08 June 2023

US Markets

Equity markets closed mostly lower overnight, with the S&P 500 down -0.4%, NASDAQ down -1.3% and Dow Jones closing +0.3% higher, as a surprise Bank of Canada rate increase with the bank restarting its interest-rate tightening campaign, raising rate by +25bps to 4.75%, the highest since 2001, saying the economy is running too hot, fueled bets the Fed is not done with its own tightening, leading to Fed swaps now fully pricing in a 25bps hike by July.

European Markets

European equity markets closed mostly lower overnight, with both the Stoxx Europe 600 and German DAX down -0.2%, after ECB President Christine Lagarde said inflation pressures remain powerful and borrowing costs will be raised further to tackle them. The U.K. FTSE 100 closed flat.

Asian Markets

Asian equity markets closed mixed overnight, with the Shanghai Composite paring most intraday gains to close +0.1% higher, after data revealed Chinese exports fell for the first time in three months in May with overseas shipments shrinking -7.5% y/y to \$284bn with exports to most destinations contracting with double-digit declines to places including the US, Japan, Southeast Asia, France and Italy, which combined with imports declining -4.5% y/y to \$218bn with contractions of more than 20% in imports from Taiwan and South Korea, a sign of weakness in global electronics demand, left a trade surplus of \$66bn. The Hang Seng was up +0.8%, Nikkei 225 down -1.8% and KOSPI closed flat.

WTI oil is trading at US\$72.59 a barrel. Iron ore price is at US\$104.40 per ton. Spot gold is trading at US\$1942 per oz.

ASX Market Update

The S&P/ASX 200 closed -0.2% lower yesterday, after data revealed Australia's economy slowed more than expected in 1Q23 with GDP expanding +0.2% q/q (+2.3% y/y), the weakest three-month expansion since September 2021

Novonix Ltd (NVX) surged +19.1%, after entering into a JDA with LG Energy Solution for Artificial Graphite Anode Material and a US\$30m investment agreement.

Today's trading. In Australia, trade balance data is anticipated.

ASX Performance

	1D Chg (%)	5D Chg (%)
ASX/S&P 200	-0.2%	0.4%
ASX/S&P All Ords	-0.1%	0.5%

By Sector

Banks	-1.0%	-1.7%
Insurance	-0.5%	-0.9%
Diversified Financials	0.6%	-0.2%
Real Estate	-0.4%	0.7%
Consumer Discretionary	0.8%	0.7%
Industrials	0.0%	-1.8%
Telcos	0.2%	-0.6%
Utilities	0.4%	1.1%
Healthcare	0.4%	0.7%
Consumer Staples	-0.2%	-0.9%
Energy	-0.7%	1.0%
Metals & Mining	-0.1%	3.0%

ASX200 Top 5

	Price (A\$)	1D Chg (%)
NOVONIX LTD	1.16	19.1%
BLOCK INC - CDI	98.60	4.7%
ST BARBARA LTD	0.58	4.5%
IDP EDUCATION LTD	22.94	3.6%
CAPRICORN METALS LTD	4.49	3.2%

ASX200 Bottom 5

	Price (A\$)	1D Chg (%)
BEACH ENERGY LTD	1.31	-8.1%
INCITEC PIVOT LTD	2.81	-4.7%
SYRAH RESOURCES LTD	0.91	-3.7%
A2 MILK CO LTD	5.24	-3.7%
KAROON ENERGY LTD	1.95	-3.5%

Market Valuations

	PE-Multiple	Div. Yield
ASX200	14.4.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	2.1%
NASDAQ	27.5.x	0.8%
NZX All Ords	23.3.x	3.4%
HANG SENG Index	9.5.x	3.8%
NIKKEI 225	24.8.x	1.9%
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	33,665	0.3%	0.0%	0.2%	1.5%
S&P 500	USD	4,268	-0.4%	3.2%	8.5%	2.6%
NASDAQ Composite	USD	13,105	-1.3%	7.1%	19.6%	7.6%
Stoxx Europe 600	EUR	461	-0.2%	-1.0%	5.6%	4.0%
FTSE 100 (UK)	GBP	7,624	0.0%	-2.0%	1.8%	0.3%
DAX (Germany)	EUR	15,961	-0.2%	0.0%	11.9%	9.6%
CAC (France)	EUR	7,203	-0.1%	-3.1%	8.1%	10.8%
Nikkei 225	JPY	31,914	-1.8%	10.2%	15.7%	13.0%
ASX 200	AUD	7,118	-0.2%	-2.2%	-0.8%	0.0%
ASX 200 Futures	AUD	7,118	-0.2%	-2.1%	-0.4%	2.3%
Emerging Markets Equities						
MSCI Emerging Markets	USD	988	0.2%	0.7%	3.1%	-6.8%
Hang Seng (HK)	HKD	19,252	0.8%	-5.1%	-1.0%	-12.5%
Shanghai Composite	CNY	3,198	0.1%	-5.8%	0.0%	-2.0%
Korea	KRW	2,616	0.0%	4.1%	10.3%	-0.4%
Taiwan	TWD	16,922	1.0%	7.8%	16.3%	1.5%
Brazil	BRL	1,15,454	0.7%	9.8%	5.9%	4.9%
Bombay Stock Exchange (India)	INR	63,143	0.6%	2.2%	0.9%	15.0%
South Africa	ZAR	71,833	0.3%	-0.9%	5.8%	12.7%
Foreign Exchange						
AUD / USD	Currency	0.6653	-0.3%	-1.9%	-1.1%	-8.0%
AUD / GBP	Currency	0.5349	-0.4%	-0.5%	-2.9%	-6.9%
AUD / EUR	Currency	0.6217	-0.3%	0.9%	-2.9%	-8.0%
AUD / CNY	Currency	4.7480	-0.1%	1.2%	1.3%	-1.3%
Commodities						
LME ALUMINUM 3MO (\$)	USD/mt	2,210	-1.5%	-4.7%	-11.9%	-20.6%
LME COPPER 3MO (\$)	USD/mt	8,339	0.0%	-2.8%	-1.0%	-14.4%
LME NICKEL 3MO (\$)	USD/mt	20,968	0.3%	-14.5%	-28.4%	-29.4%
Platinum Spot \$/Oz	USD/oz	1,023	-1.4%	-4.9%	1.6%	0.8%
Palladium Spot \$/Oz	USD/oz	1,394	-1.4%	-10.4%	-24.7%	-29.8%
SILVER FUTURE Jul23	USD/oz	23.54	-0.6%	-9.2%	1.0%	2.7%
ICE Newc Coal Fut Jul23	USD/mt	141.85	2.0%	-18.8%	-59.0%	-45.5%
Iron Ore Spot Price Index 62% (CFR Qingdao Port)	USD/t	104.40	0.4%	0.4%	2.6%	-22.8%
Gold Spot \$/Oz	USD/oz	1,942	-1.1%	-3.9%	8.7%	4.8%
WTI Oil	USD/bbl	72.59	1.2%	1.9%	-0.5%	-24.7%
Henry Hub	USD/mmBtu	1.95	1.0%	5.4%	-57.0%	-78.2%
Corn	USD/Bu	601.75	-1.0%	-7.9%	-4.1%	-20.5%
Wheat	USD/Bu	615.75	-1.9%	-4.8%	-15.3%	-42.5%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	3.83%	0.6%	15.3%	14.0%	7.6%
U.S.	USD	3.79%	3.6%	10.3%	11.0%	27.5%
Germany	EUR	2.46%	3.5%	7.2%	37.8%	89.9%
Japan	JPY	0.43%	0.2%	1.4%	67.5%	72.2%
Italy	EUR	4.28%	3.1%	2.2%	18.8%	30.0%
Australian Rates						
Cash Rate	AUD	4.10%	6.5%	6.5%	32.3%	1071.4%
90-Day BBSW	AUD	4.19%	0.4%	8.0%	34.5%	183.1%
180-Day BBSW	AUD	4.44%	0.0%	10.3%	25.3%	92.8%
CBOE Options						
CBOE VIX (Volatility Index)	Index	13.92	-0.3%	-19.0%	-38.6%	-42.0%

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