Morning Report

iInvest Securities

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Global Markets Update

- **U.S.** Equity markets closed lower overnight, with the S&P 500 down -1.1%, Dow Jones down -0.9% and NASDAQ down -1.3%. Applications for U.S. state unemployment insurance surged to a 3-month high in the week ended Jan 15 with initial unemployment claims increasing by 55k to 286k. Sales of existing U.S. homes dropped for first time in 4-months in December with contract closings decreasing -4.6% MoM to an annualized 6.18m.

- **Long-dated U.S. treasury yields** were lower, with the 2-Yr yield at 1.033% and the 10-Yr yield at 1.815%.

- **European markets.** European equity markets closed mostly higher overnight, with the Stoxx Europe 600 up +0.5%, German DAX up +0.6% and U.K. FTSE 100 declining -0.1%.

- **Asian markets.** Asian equity markets closed mostly higher overnight, with the Shanghai Composite gaining from its intraday lows to close -0.1% lower after Chinese lenders lowered borrowing costs for a second straight month, cutting the one-year loan prime rate by -10bps to 3.7% and five-year rate, a reference for long-term loans including mortgages, by -5bps to 4.6%, after PBOC cut policy loan rates and pledged more easing to stabilize the economy. The Hang Seng was up +3.4%, Nikkei 225 up +1.1% and KOSPI closed +0.7% higher. Gains in Japan's exports narrowed slightly in December with the value of overseas shipments rising +17.5% yoy, easing from +20.5% yoy in November, as stellar increases in steel and chip-making equipment cooled a touch, however, imports rose +41.1% yoy inflated by the higher prices caused by a weaker yen with the values of crude oil, liquefied natural gas and coal all jumping more than 100% yoy.

- **WTI oil** is trading at US$84.49 a barrel. **Iron ore price** is at US$114.40 per ton. **Spot gold** is trading at US$1,839 per oz.

ASX Market Update

- **ASX performance.** The S&P/ASX 200 closed +0.13% higher yesterday, after data revealed Australia's unemployment rate tumbled to a 13-year low in December, dropping -40bps MoM to 4.2%, the lowest level since August 2008, as the economy added a forecast-beating 64,800 roles.

- **Northern Star Resources Ltd (NST)** surged +11.2%, after reaffirming FY22 gold production guidance of 1.55-1.65m oz and downgrading all-in sustaining costs/oz forecast to A$1,475-1,525 from A$1,475-1,575.

- **Today's trading.** In Japan, CPI data is to be published.

Figure 1: Key Market Summary

ASX Performance	1D Chg (%)	5D Chg (%)
ASX/S&P 200	0.13%	-1.8%
ASX/S&P All Ords	0.16%	-1.6%
By Sector		
Banks	-0.70%	-2.4%
Insurance	-1.28%	-2.2%
Diversified Financials	-0.73%	-4.5%
Real Estate	-1.08%	-2.4%
Consumer Discretionary	-0.88%	-1.4%
Industrials	-0.80%	-2.3%
Telcos	-1.21%	-1.8%
Utilities	0.54%	0.4%
Healthcare	0.29%	-3.4%
Consumer Staples	-0.91%	-2.2%
Energy	0.75%	1.8%
Metals & Mining	2.99%	1.1%

ASX200 Top 5	Price (A$)	1D Chg (%)
NORTHERN STAR RESOURCES L	9.73	11.2%
EVOLUTION MINING LTD	4.15	8.9%
CHALICE MINING LTD	8.79	7.5%
SILVER LAKE RESOURCES LTD	1.85	7.0%
NEWCREST MINING LTD	25.55	6.6%

ASX200 Bottom 5	Price (A$)	1D Chg (%)
WEBJET LTD	5.21	-3.5%
MEDIBANK PRIVATE LTD	3.28	-3.2%
ELDERS LTD	11.52	-3.2%
INGENIA COMMUNITIES GROU	5.77	-3.2%
SKYCITY ENTERTAINMENT GRC	2.76	-3.2%

Market Valuations	PE-Multiple	Div. Yield
ASX200	***18.0.x***	***3.7%***
FTSE 100 Index	12.5.x	3.9%
DAX Index	14.3.x	2.8%
CAC 40 Index	15.1.x	2.8%
S&P 500 Index	20.8.x	1.4%
Dow Jones Ind. Avg	18.7.x	1.9%
NASDAQ	27.2.x	0.7%
NZX All Ords	31.3.x	2.6%
HANG SENG Index	11.8.x	3.0%
NIKKEI 225	17.1.x	1.9%
Shanghai Composite	11.5.x	2.6%

Source: Bloomberg, BTIG

Research – Sales & Trading

Figure 2: Around the Grounds – Price movements across key markets

	Units	Current Value	Price Performance (% Chg) 1-day	1-month	6-months	1-year
Developed Markets Equities						
Dow Jones	USD	34,715	-0.9%	-0.6%	0.6%	11.3%
S&P 500	USD	4,483	-1.1%	-1.9%	3.7%	16.4%
NASDAQ Composite	USD	14,154	-1.3%	-5.5%	-2.4%	5.2%
Stoxx Europe 600	EUR	483	0.5%	3.4%	8.2%	17.6%
FTSE 100 (UK)	GBP	7,585	-0.1%	5.4%	10.2%	12.5%
DAX (Germany)	EUR	15,912	0.6%	4.4%	4.6%	14.3%
CAC (France)	EUR	7,194	0.3%	4.7%	13.4%	27.8%
Nikkei 225	JPY	27,773	1.1%	-2.6%	0.8%	-3.4%
ASX 200	AUD	7,342	0.1%	-0.2%	0.5%	7.6%
ASX 200 Futures	AUD	7,179	-0.9%	-1.1%	0.7%	8.9%
Emerging Markets Equities						
MSCI Emerging Markets	USD	1,240	-0.1%	4.2%	-5.4%	-11.5%
Hang Seng (HK)	HKD	24,952	3.4%	8.6%	-8.3%	-16.6%
Shanghai Composite	CNY	3,555	-0.1%	-1.9%	-0.2%	-1.8%
Korea	KRW	2,863	0.7%	-3.8%	-11.0%	-9.4%
Taiwan	TWD	18,218	-0.1%	2.4%	4.4%	12.8%
Brazil	BRL	109,076	1.0%	3.9%	-13.0%	-8.8%
Bombay Stock Exchange (India)	INR	59,465	-1.1%	5.6%	13.9%	19.8%
South Africa	ZAR	69,587	0.1%	9.3%	16.6%	18.2%
Foreign Exchange						
AUDUSD	Currency	0.7226	0.2%	1.6%	-1.4%	-6.7%
AUDGBP	Currency	0.5314	-0.3%	1.3%	1.2%	6.7%
AUDEUR	Currency	0.6389	-0.5%	-1.3%	-2.6%	0.2%
AUDCNY	Currency	4.61	-0.5%	-1.5%	3.0%	8.8%
Commodities						
LME ALUMINUM 3MO ($)	USD/mt	3,051	0.9%	12.0%	25.8%	55.3%
LME COPPER 3MO ($)	USD/mt	9,842	1.7%	4.3%	6.7%	23.7%
LME NICKEL 3MO ($)	USD/mt	23,154	4.9%	17.8%	25.4%	27.1%
SILVER FUTURE Mar22	USD/oz	24.52	1.2%	10.0%	-2.3%	-6.1%
ICE Newc Coal Fut Mar22	USD/mt	187.40	-4.9%	12.5%	55.6%	132.2%
62% Import Fine Ore in USD	USD/t	114.40	-1.1%	7.2%	-45.9%	-29.9%
Gold Spot $/Oz	USD/oz	1,839	-0.1%	2.7%	1.6%	-1.8%
WTI Oil	USD/bbl	84.49	-1.5%	23.6%	32.4%	69.3%
Henry Hub	USD/mmBtu	4.78	6.7%	30.0%	27.5%	84.1%
Corn	USD/Bu	610.25	0.0%	3.3%	6.7%	16.9%
Wheat	USD/Bu	789.50	-0.9%	1.5%	12.7%	18.2%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	1.99%	-0.3%	29.4%	68.7%	83.6%
US	USD	1.81%	-2.7%	27.6%	48.5%	68.0%
Germany	EUR	-0.02%	-100.0%	93.4%	94.1%	95.5%
Japan	JPY	0.15%	2.1%	258.5%	1370.0%	200.0%
Italy	EUR	1.30%	-2.8%	40.0%	89.8%	110.3%
Australian Rates						
Cash Rate	AUD	0.10%	0.0%	0.0%	0.0%	0.0%
90-Day BBSW	AUD	0.07%	0.0%	0.0%	160.0%	420.0%
180-Day BBSW	AUD	0.24%	0.0%	11.9%	291.7%	1075.0%
CBOE Options						
CBOE VIX (Volatility Index)	Index	25.60	7.3%	11.9%	29.8%	18.6%

Source: BTIG, Bloomberg

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