Morning Report

iInvest Securities

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Global Markets Update

- **U.S.** Equity markets closed lower overnight, with the S&P 500 down -1.2%, Dow Jones down -0.2% and NASDAQ down -2.3%. IMF cut its world economic growth forecast for 2022 by -50bps to +4.4% (increased forecast for 2023 to 3.8%) citing weaker prospects for the U.S. (downgraded by -120bps to 4% on the outlook for President Joe Biden's spending agenda) and China (downgraded by -80bps to 4.8% on challenges in real estate) along with persistent inflation, with annual inflation rate projected to average 3.9% in advanced economies in 2022, up from a prior 2.3% estimate, and 5.9% in emerging and developing nations, and projected total economic losses from pandemic to total $13.8 trillion through 2024.

- **Long-dated U.S. treasury yields** were higher, with the 2-Yr yield at 1.029% and the 10-Yr yield at 1.778%.

- **European markets.** European equity markets closed higher overnight, with the Stoxx Europe 600 up +0.7% and U.K. FTSE 100 up +1.0%, following the news Pfizer Inc and BioNTech SE are starting a study of a Covid-19 vaccine that targets the omicron variant. German DAX gained +0.8%, after data revealed Germany's business confidence improved in January as supply bottlenecks ease and the latest virus wave is only seen as a temporary setback for the recovery.

- **Asian markets.** Asian equity markets closed lower overnight, with both the Shanghai Composite and KOSPI down -2.6% and both Hang Seng and Nikkei 225 declining -1.7%, as rising geopolitical tension rattled sentiment, with the U.S. putting troops on heightened alert for deployment to bolster NATO forces in Eastern Europe. South Korea's economic recovery showed its resilience in the face of interest rate hikes, expanding +4.1% yoy (+1.1% qoq) in 4Q21 supported by firm export demand.

- **WTI oil** is trading at US$85.31 a barrel. **Iron ore price** is at US$124.92 per ton. **Spot gold** is trading at US$1,848 per oz.

ASX Market Update

- **ASX performance.** The S&P/ASX 200 closed -2.49% lower yesterday. Australia's consumer prices rose +1.3% qoq (+3.5% yoy) in 4Q21, driven by new dwellings and automotive fuel.

- **Codan Ltd (CDA)** surged +16.8%, after guiding 1H22 NPAT of around A$50m, up +21% yoy.

- **Today's trading.** No major data is to be published.

Figure 1: Key Market Summary

ASX Performance	1D Chg (%)	5D Chg (%)
ASX/S&P 200	-2.49%	-6.0%
ASX/S&P All Ords	-2.60%	-6.3%
By Sector		
Banks	-2.68%	-6.1%
Insurance	-2.99%	-7.1%
Diversified Financials	-2.51%	-10.2%
Real Estate	-3.05%	-4.5%
Consumer Discretionary	-1.29%	-5.8%
Industrials	-2.22%	-5.1%
Telcos	-2.83%	-7.4%
Utilities	-1.85%	-4.8%
Healthcare	-1.62%	-5.8%
Consumer Staples	-1.09%	-2.8%
Energy	-4.08%	-6.2%
Metals & Mining	-2.98%	-5.7%

ASX200 Top 5	Price (A$)	1D Chg (%)
CODAN LTD	9.78	16.8%
A2 MILK CO LTD	5.45	7.1%
EAGERS AUTOMOTIVE LTD	12.33	1.1%
AUCKLAND INTL AIRPORT LTD	6.83	0.7%
STOCKLAND	4.07	0.5%

ASX200 Bottom 5	Price (A$)	1D Chg (%)
PERENTI GLOBAL LTD	0.76	-10.7%
CHALICE MINING LTD	7.20	-9.8%
POINTSBET HOLDINGS LTD	5.21	-8.3%
SILVER LAKE RESOURCES LTD	1.68	-8.0%
BEACH ENERGY LTD	1.31	-7.8%

Market Valuations	PE-Multiple	Div. Yield
ASX200	***17.0.x***	***3.9%***
FTSE 100 Index	12.1.x	4.0%
DAX Index	13.5.x	3.0%
CAC 40 Index	14.1.x	3.0%
S&P 500 Index	20.0.x	1.5%
Dow Jones Ind. Avg	18.2.x	2.0%
NASDAQ	25.4.x	0.8%
NZX All Ords	30.5.x	2.7%
HANG SENG Index	11.4.x	3.1%
NIKKEI 225	16.6.x	1.9%
Shanghai Composite	11.1.x	2.7%

Source: Bloomberg, BTIG

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	34,298	-0.2%	-4.6%	-2.2%	10.8%
S&P 500	USD	4,356	-1.2%	-7.8%	-1.3%	13.0%
NASDAQ Composite	USD	13,539	-2.3%	-13.5%	-8.7%	-0.7%
Stoxx Europe 600	EUR	460	0.7%	-4.8%	-0.4%	13.4%
FTSE 100 (UK)	GBP	7,371	1.0%	0.0%	4.9%	11.0%
DAX (Germany)	EUR	15,124	0.8%	-4.0%	-3.5%	10.8%
CAC (France)	EUR	6,838	0.7%	-3.5%	4.1%	25.0%
Nikkei 225	JPY	27,131	-1.7%	-5.7%	-2.5%	-5.0%
ASX 200	AUD	6,962	-2.5%	-6.2%	-5.9%	2.0%
ASX 200 Futures	AUD	6,916	0.6%	-5.7%	-4.1%	4.9%
Emerging Markets Equities						
MSCI Emerging Markets	USD	1,222	-1.8%	0.1%	-6.8%	-13.3%
Hang Seng (HK)	HKD	24,244	-1.7%	4.4%	-7.4%	-17.5%
Shanghai Composite	CNY	3,433	-2.6%	-5.1%	-1.0%	-3.8%
Korea	KRW	2,720	-2.6%	-9.7%	-15.6%	-13.4%
Taiwan	TWD	17,701	-1.6%	-1.5%	1.7%	13.0%
Brazil	BRL	110,227	2.1%	5.1%	-11.9%	-6.1%
Bombay Stock Exchange (India)	INR	57,858	0.6%	1.3%	9.5%	19.7%
South Africa	ZAR	65,870	0.3%	1.3%	6.4%	10.9%
Foreign Exchange						
AUDUSD	Currency	0.7156	0.2%	-1.1%	-3.1%	-7.2%
AUDGBP	Currency	0.5297	0.0%	1.7%	0.9%	6.5%
AUDEUR	Currency	0.6331	-0.4%	0.9%	-1.2%	0.3%
AUDCNY	Currency	4.52	-0.5%	2.0%	5.9%	10.5%
Commodities						
LME ALUMINUM 3MO ($)	USD/mt	3,029	-0.4%	6.8%	21.0%	51.8%
LME COPPER 3MO ($)	USD/mt	9,728	-2.1%	1.7%	2.2%	21.6%
LME NICKEL 3MO ($)	USD/mt	22,404	-6.8%	11.8%	15.7%	22.6%
SILVER FUTURE Mar22	USD/oz	23.88	0.3%	4.1%	-5.8%	-7.6%
ICE Newc Coal Fut Feb22	USD/mt	224.00	1.8%	35.3%	83.6%	179.0%
62% Import Fine Ore in USD	USD/t	124.92	3.1%	8.1%	-39.0%	-23.6%
Gold Spot $/Oz	USD/oz	1,848	0.3%	2.0%	2.8%	-0.4%
WTI Oil	USD/bbl	85.31	2.4%	16.2%	26.2%	72.0%
Henry Hub	USD/mmBtu	4.17	2.0%	17.5%	2.3%	73.0%
Corn	USD/Bu	619.25	-0.3%	2.2%	13.2%	21.1%
Wheat	USD/Bu	816.25	2.0%	0.2%	19.3%	25.9%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	1.95%	0.4%	23.3%	62.5%	74.9%
US	USD	1.78%	0.4%	19.1%	39.3%	72.7%
Germany	EUR	-0.08%	25.2%	68.0%	81.0%	85.5%
Japan	JPY	0.14%	0.0%	111.9%	688.9%	184.0%
Italy	EUR	1.29%	0.4%	15.8%	108.6%	90.1%
Australian Rates						
Cash Rate	AUD	0.10%	0.0%	0.0%	0.0%	0.0%
90-Day BBSW	AUD	0.08%	15.4%	25.0%	200.0%	650.0%
180-Day BBSW	AUD	0.25%	6.4%	16.3%	354.5%	1150.0%
CBOE Options						
CBOE VIX (Volatility Index)	Index	30.93	3.4%	72.2%	79.8%	33.4%

Source: BTIG, Bloomberg

Research – Sales & Trading

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