Morning Report

iInvest Securities

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Global Markets Update

- **U.S.** Equity markets closed mostly lower overnight, with the S&P 500 down -0.5%, Dow Jones flat and NASDAQ closing -1.4% lower, as investors continued to reprice assets to account for the Federal Reserve's pivot to restrictive policy. U.S. economic growth accelerated by more than forecast in 4Q21 with GDP expanding at a 6.9% annualized rate following a 2.3% pace in 3Q21, fueled by the rebuilding of inventories and capping the strongest year since the 1980s, however, inflation continued to remain high with the personal consumption expenditures price index excluding food and energy, an inflation measure followed closely by Fed officials, growing an annualized 4.9% in the quarter. Applications for U.S. state unemployment insurance fell for the first time in four weeks in the week ended January 22, with initial unemployment claims declining 30,000 to 260,000.

- **Long-dated U.S. treasury yields** were mixed, with the 2-Yr yield higher at 1.190% and the 10-Yr yield lower at 1.810%.

- **European markets.** European equity markets closed higher overnight, with the Stoxx Europe 600 up +0.6%, U.K. FTSE 100 up +1.1% and German DAX gaining +0.4%, as sentiment was boosted after European Union's drugs regulator backed Pfizer Inc's Covid-19 pill, offering a tool to manage coronavirus infections at home and ease the burden on hospitals.

- **Asian markets.** Asian equity markets closed lower overnight, with the Shanghai Composite down -1.8%, Hang Seng down -2.0%, KOSPI down -3.5% and Nikkei 225 declining -3.1%. Industrial enterprises in China, including manufacturers, miners and power suppliers, booked 8.7 trillion yuan in profits in 2021, up +34.3% yoy, highest since 2000.

- **WTI oil** is trading at US$87.09 a barrel. **Iron ore price** is at US$126.64 per ton. **Spot gold** is trading at US$1,796 per oz.

ASX Market Update

- **ASX performance.** The S&P/ASX 200 declined -1.77% yesterday, slipping into a technical correction.

- **Kogan.com Ltd (KGN)** slumped -12.3%, after announcing 1H22 underlying profit plummeted -58% because of continuing "interruptions" in its supply chain. **Evolution Mining Ltd (EVN)** declined -11.3%, after reporting declines in 2Q22 gold and copper output.

- **Today's trading.** In Australia, PPI data is to be published.

Figure 1: Key Market Summary

ASX Performance	1D Chg (%)	5D Chg (%)
ASX/S&P 200	-1.77%	-6.7%
ASX/S&P All Ords	-1.84%	-7.1%
By Sector		
Banks	-0.58%	-5.6%
Insurance	-0.13%	-6.8%
Diversified Financials	-2.38%	-9.8%
Real Estate	-2.77%	-6.8%
Consumer Discretionary	-3.70%	-8.7%
Industrials	-2.26%	-6.6%
Telcos	-1.45%	-7.3%
Utilities	1.18%	-3.8%
Healthcare	-3.45%	-7.6%
Consumer Staples	-2.47%	-5.1%
Energy	2.11%	-4.8%
Metals & Mining	-0.85%	-5.5%

ASX200 Top 5	Price (A$)	1D Chg (%)
BEACH ENERGY LTD	1.42	8.8%
PLATINUM ASSET MANAGEME	2.47	4.7%
AUSNET SERVICES	2.58	4.5%
SANTOS LTD	6.96	3.6%
UNIBAIL-RODAMCO-WESTFIEI	5.10	3.0%

ASX200 Bottom 5	Price (A$)	1D Chg (%)
KOGAN.COM LTD	6.15	-12.3%
EVOLUTION MINING LTD	3.46	-11.3%
SILVER LAKE RESOURCES LTD	1.49	-11.0%
CODAN LTD	8.78	-10.2%
WISETECH GLOBAL LTD	43.31	-9.8%

Market Valuations	PE-Multiple	Div. Yield
ASX200	***16.7.x***	***4.0%***
FTSE 100 Index	12.4.x	3.9%
DAX Index	13.9.x	2.9%
CAC 40 Index	14.4.x	2.9%
S&P 500 Index	19.6.x	1.5%
Dow Jones Ind. Avg	18.1.x	2.0%
NASDAQ	25.0.x	0.8%
NZX All Ords	30.5.x	2.7%
HANG SENG Index	11.2.x	3.1%
NIKKEI 225	16.0.x	2.0%
Shanghai Composite	11.0.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	34,161	0.0%	-5.9%	-2.6%	12.7%
S&P 500	USD	4,327	-0.5%	-9.7%	-1.7%	15.3%
NASDAQ Composite	USD	13,353	-1.4%	-15.9%	-8.9%	0.6%
Stoxx Europe 600	EUR	470	0.6%	-3.1%	2.5%	16.7%
FTSE 100 (UK)	GBP	7,554	1.1%	2.5%	8.0%	15.0%
DAX (Germany)	EUR	15,524	0.4%	-2.0%	0.0%	14.0%
CAC (France)	EUR	7,024	0.6%	-1.6%	7.5%	28.6%
Nikkei 225	JPY	26,170	-3.1%	-10.0%	-5.1%	-7.2%
ASX 200	AUD	6,838	-1.8%	-7.8%	-7.3%	2.8%
ASX 200 Futures	AUD	6,810	1.5%	-7.1%	-5.2%	6.2%
Emerging Markets Equities						
MSCI Emerging Markets	USD	1,211	0.1%	-0.8%	-3.3%	-11.7%
Hang Seng (HK)	HKD	23,807	-2.0%	2.3%	-6.5%	-16.6%
Shanghai Composite	CNY	3,394	-1.8%	-6.5%	1.0%	-3.2%
Korea	KRW	2,614	-3.5%	-13.4%	-19.2%	-14.8%
Taiwan	TWD	17,674	-0.2%	-2.1%	2.3%	12.6%
Brazil	BRL	112,489	1.1%	6.6%	-9.7%	-2.9%
Bombay Stock Exchange (India)	INR	57,277	-1.0%	-1.1%	9.2%	22.2%
South Africa	ZAR	67,070	-0.4%	3.1%	9.6%	16.4%
Foreign Exchange						
AUDUSD	Currency	0.7030	-1.2%	-2.9%	-4.5%	-8.3%
AUDGBP	Currency	0.5254	0.6%	2.5%	1.0%	6.6%
AUDEUR	Currency	0.6308	0.4%	1.3%	-1.2%	0.3%
AUDCNY	Currency	4.50	0.6%	2.5%	6.9%	10.7%
Commodities						
LME ALUMINUM 3MO ($)	USD/mt	3,094	0.1%	9.1%	22.8%	53.2%
LME COPPER 3MO ($)	USD/mt	9,917	1.2%	3.6%	1.1%	23.8%
LME NICKEL 3MO ($)	USD/mt	22,695	1.6%	13.2%	15.1%	25.7%
SILVER FUTURE Mar22	USD/oz	22.76	-4.4%	-1.0%	-8.1%	-11.5%
ICE Newc Coal Fut Apr22	USD/mt	188.25	-3.3%	21.7%	62.3%	136.2%
62% Import Fine Ore in USD	USD/t	126.64	3.1%	8.9%	-35.4%	-21.7%
Gold Spot $/Oz	USD/oz	1,796	-1.3%	-0.9%	-0.2%	-2.6%
WTI Oil	USD/bbl	87.09	-0.3%	15.8%	28.9%	75.6%
Henry Hub	USD/mmBtu	4.45	7.0%	25.4%	8.8%	66.5%
Corn	USD/Bu	624.00	-0.5%	1.5%	13.7%	16.9%
Wheat	USD/Bu	776.25	-2.4%	-3.5%	15.1%	17.9%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	2.02%	4.0%	28.3%	67.6%	85.1%
US	USD	1.81%	-2.9%	22.7%	45.8%	78.1%
Germany	EUR	-0.06%	20.3%	75.7%	86.6%	89.2%
Japan	JPY	0.16%	12.8%	160.7%	783.3%	224.5%
Italy	EUR	1.29%	-3.2%	14.5%	106.4%	96.3%
Australian Rates						
Cash Rate	AUD	0.10%	0.0%	0.0%	0.0%	0.0%
90-Day BBSW	AUD	0.08%	6.7%	33.3%	220.0%	700.0%
180-Day BBSW	AUD	0.27%	3.9%	23.3%	381.8%	1225.0%
CBOE Options						
CBOE VIX (Volatility Index)	Index	30.99	-3.0%	75.3%	60.1%	-16.7%

Source: BTIG, Bloomberg

Research – Sales & Trading

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