# Morning Report

iInvest Securities

**22 February 2022**

## Global Markets Update

- **U.S.** Equity markets were closed for a holiday.

- **Long-dated U.S. treasury yields** were unchanged, with the 2-Yr yield at 1.465% and the 10-Yr yield at 1.929%.

- **European markets.** European equity markets closed lower overnight, as investors weighed geopolitical risks from continuing tensions between Russia and Ukraine after the Kremlin said President Vladimir Putin will officially recognize the self-proclaimed separatist republics that Russia backs in eastern Ukraine, intensifying a standoff with the West. The Stoxx Europe 600 was down -1.3%, German DAX down -2.1% and U.K. FTSE 100 declined -0.4%. Euro-area manufacturers and service providers saw output improve in February with rising demand and a gradual easing of supply bottlenecks underpinning stronger orders and job growth, however, prices charged for goods and services jumped by a record amount.

- **Asian markets.** Asian equity markets closed mostly lower overnight, with the Shanghai Composite flat as property stocks slid after Zhenro Properties Group Ltd said it may not have enough cash to meet debt-payment obligations next month. The Hang Seng declined -0.6%, as Hong Kong continued to battle with escalating virus outbreak, reporting 7,533 new cases. KOSPI was flat and Nikkei 225 declined -0.8%.

- **WTI oil** is trading at US$93.76 a barrel. **Iron ore price** is at US$120.04 per ton. **Spot gold** is trading at US$1,902 per oz.

## ASX Market Update

- **ASX performance.** The S&P/ASX 200 closed +0.16% higher yesterday, after data revealed Australia's overall private sector output and demand expanded to an eight-month high in February as a receding coronavirus wave helped lift demand.

- **Tyro Payments Ltd (TYR)** slumped -25.9%, after reporting 1H22 net loss of A$18.1m vs loss of A$3.41m y/y. **A2 Milk Co Ltd (A2M)** surged +11.1%, after announcing outlook for 2H22 revenue has improved. **AGL Energy Ltd (AGL)** gained +10.6%, after rejecting a multibillion-dollar takeover bid. **Chorus Ltd (CNU)** was up +9.9%, after announcing a share buyback of up to NZ$150m and updating its FY22 EBITDA guidance to NZ$665-685m from NZ$640-660m and dividend per share to 35 NZ cents from 26 NZ cents.

- **Today's trading.** In the U.S., PMI data is to be published.

**Figure 1: Key Market Summary**

| ASX Performance | 1D Chg (%) | 5D Chg (%) |
|---|---|---|
| ASX/S&P 200 | 0.16% | -0.1% |
| ASX/S&P All Ords | 0.06% | -0.4% |
| **By Sector** | | |
| Banks | 0.53% | -0.5% |
| Insurance | 1.73% | -1.2% |
| Diversified Financials | 0.35% | -0.4% |
| Real Estate | 0.23% | 3.5% |
| Consumer Discretionary | -0.94% | -3.1% |
| Industrials | 0.02% | 1.8% |
| Telcos | 1.74% | -1.5% |
| Utilities | 3.71% | -0.5% |
| Healthcare | -1.27% | 4.0% |
| Consumer Staples | 2.34% | 4.3% |
| Energy | 0.13% | -3.6% |
| Metals & Mining | 0.16% | -0.9% |

| ASX200 Top 5 | Price (A$) | 1D Chg (%) |
|---|---|---|
| A2 MILK CO LTD | 5.89 | 11.1% |
| AGL ENERGY LTD | 7.92 | 10.6% |
| CHORUS LTD | 6.86 | 9.9% |
| CHALLENGER LTD | 7.07 | 5.1% |
| QBE INSURANCE GROUP LTD | 12.10 | 4.8% |

| ASX200 Bottom 5 | Price (A$) | 1D Chg (%) |
|---|---|---|
| TYRO PAYMENTS LTD | 1.62 | -25.9% |
| POINTSBET HOLDINGS LTD | 4.00 | -11.1% |
| SUPER RETAIL GROUP LTD | 11.63 | -9.5% |
| ZIP CO LTD | 2.37 | -7.8% |
| POLYNOVO LTD | 1.10 | -7.2% |

| Market Valuations | PE-Multiple | Div. Yield |
|---|---|---|
| ***ASX200*** | ***16.7.x*** | ***4.0%*** |
| FTSE 100 Index | 12.0.x | 3.9% |
| DAX Index | 13.1.x | 3.1% |
| CAC 40 Index | 13.5.x | 3.1% |
| S&P 500 Index | 19.5.x | 1.5% |
| Dow Jones Ind. Avg | 18.0.x | 2.0% |
| NASDAQ | 24.6.x | 0.8% |
| NZX All Ords | 30.9.x | 2.7% |
| HANG SENG Index | 11.4.x | 3.1% |
| NIKKEI 225 | 16.4.x | 2.0% |
| Shanghai Composite | 11.3.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 | 34,079 | -0.7% | -0.5% | -3.0% | 8.2% |
| S&P 500 | USD | 4,349 | -0.7% | -1.1% | -2.1% | 11.3% |
| NASDAQ Composite | USD | 13,548 | -1.2% | -1.6% | -7.9% | -2.4% |
| Stoxx Europe 600 | EUR | 455 | -1.3% | -4.1% | -3.0% | 9.6% |
| FTSE 100 (UK) | GBP | 7,484 | -0.4% | -0.1% | 5.6% | 13.0% |
| DAX (Germany) | EUR | 14,731 | -2.1% | -5.6% | -6.8% | 5.3% |
| CAC (France) | EUR | 6,788 | -2.0% | -4.0% | 2.4% | 17.6% |
| Nikkei 225 | JPY | 26,911 | -0.8% | -2.2% | -0.4% | -10.8% |
| ASX 200 | AUD | 7,234 | 0.2% | 0.8% | -3.0% | 6.7% |
| ASX 200 Futures | AUD | 7,090 | -1.0% | 0.5% | -2.8% | 8.6% |
| **Emerging Markets Equities** | | | | | | |
| MSCI Emerging Markets | USD | 1,232 | -0.9% | -1.0% | 0.9% | -13.9% |
| Hang Seng (HK) | HKD | 24,170 | -0.6% | -3.2% | -2.7% | -20.3% |
| Shanghai Composite | CNY | 3,491 | 0.0% | -0.9% | 1.8% | -4.2% |
| Korea | KRW | 2,744 | 0.0% | -3.2% | -10.3% | -10.9% |
| Taiwan | TWD | 18,221 | -0.1% | 1.8% | 11.5% | 11.0% |
| Brazil | BRL | 112,589 | -0.3% | 3.3% | -4.6% | -4.9% |
| Bombay Stock Exchange (India) | INR | 57,684 | -0.3% | -2.3% | 4.3% | 16.0% |
| South Africa | ZAR | 68,877 | -1.1% | 1.0% | 15.2% | 10.9% |
| **Foreign Exchange** | | | | | | |
| AUDUSD | Currency | 0.7189 | 0.2% | 0.1% | -0.3% | -9.2% |
| AUDGBP | Currency | 0.5287 | -0.1% | 0.2% | -0.6% | 6.5% |
| AUDEUR | Currency | 0.6356 | -0.3% | -0.5% | -3.4% | 2.4% |
| AUDCNY | Currency | 4.57 | -0.3% | -0.2% | 2.2% | 12.0% |
| **Commodities** | | | | | | |
| LME ALUMINUM 3MO ($) | USD/mt | 3,263 | -0.2% | 7.9% | 27.7% | 52.6% |
| LME COPPER 3MO ($) | USD/mt | 9,956 | 0.3% | 2.9% | 10.1% | 16.4% |
| LME NICKEL 3MO ($) | USD/mt | 24,144 | 1.1% | 9.4% | 27.8% | 26.1% |
| SILVER FUTURE May22 | USD/oz | 24.04 | 0.0% | -1.3% | 3.4% | -12.3% |
| ICE Newc Coal Fut Mar22 | USD/mt | 209.35 | 4.1% | 6.6% | 63.8% | 168.6% |
| 62% Import Fine Ore in USD | USD/t | 120.04 | 0.8% | 4.9% | -22.6% | -27.0% |
| Gold Spot $/Oz | USD/oz | 1,902 | 0.2% | 3.6% | 5.4% | 5.1% |
| WTI Oil | USD/bbl | 93.76 | 3.0% | 10.1% | 55.1% | 72.8% |
| Henry Hub | USD/mmBtu | 4.61 | 1.1% | 2.9% | 19.4% | -30.2% |
| Corn | USD/Bu | 654.25 | 0.7% | 9.1% | 16.5% | 18.9% |
| Wheat | USD/Bu | 797.00 | -0.1% | 3.6% | 8.1% | 20.3% |
| **Fixed Interest** | | | | | | |
| ***10-Yr Bond Yield*** | | | | | | |
| Australia | AUD | 2.22% | -1.2% | 15.7% | 105.7% | 54.9% |
| US | USD | 1.93% | 0.0% | 9.7% | 53.7% | 44.3% |
| Germany | EUR | 0.21% | 7.3% | 416.9% | 141.6% | 167.5% |
| Japan | JPY | 0.21% | -1.4% | 55.5% | 1836.4% | 95.4% |
| Italy | EUR | 1.91% | 3.9% | 48.4% | 250.0% | 206.3% |
| ***Australian Rates*** | | | | | | |
| Cash Rate | AUD | 0.10% | 0.0% | 0.0% | 0.0% | 0.0% |
| 90-Day BBSW | AUD | 0.08% | -6.3% | 0.1% | 275.0% | 275.0% |
| 180-Day BBSW | AUD | 0.27% | -1.9% | 11.4% | 783.3% | 1225.0% |
| **CBOE Options** | | | | | | |
| CBOE VIX (Volatility Index) | Index | 27.75 | -1.3% | -3.8% | 49.5% | 25.9% |

Source: BTIG, Bloomberg

**Disclaimer**