Morning Report

iInvest Securities

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Global Markets Update

- **U.S.** Equity markets closed higher overnight, with both the S&P 500 and NASDAQ up +0.7% and Dow Jones up +0.8%. U.S. manufacturing growth lost a bit more steam in January with measures of production and new orders both dropping to the lowest since mid-2020.

- **Long-dated U.S. treasury yields** were mixed, with the 2-Yr yield lower at 1.161% and the 10-Yr yield higher at 1.786%.

- **European markets.** European equity markets closed higher overnight, with Stoxx Europe 600 up +1.3% and U.K. FTSE 100 gaining +1.0%. German DAX gained +1.0%, after data revealed Germany's unemployment declined by 48k in January, pushing the jobless rate down by -10bps to 5.1%.

- **Asian markets.** Asian equity markets closed higher overnight, with Nikkei 225 up +0.3% and all the Hang Seng, Shanghai Composite and KOSPI remaining closed for a holiday in observance of Lunar New Year. India doubled down on its spending commitment for FY22, targeting a budget deficit of 6.4% of GDP against a targeted 6.8% by borrowing a record 14.95 trillion rupees to bridge the shortfall, to spend on infrastructure, including roads, railways, airports, ports, public transport, waterways and logistics, as well as the green energy transition, digitalization, public health and social infrastructure, leading to forecasted FY22 growth of +9.2%, the quickest rate among major economies and +8-8.5% GDP expansion in FY23.

- **WTI oil** is trading at US$88.32 a barrel. **Iron ore price** is at US$127.33 per ton. **Spot gold** is trading at US$1,802 per oz.

ASX Market Update

- **ASX performance.** The S&P/ASX 200 closed +0.49% higher yesterday. RBA maintained the cash rate target at 0.1% and announced a scrapping of the 15-month long quantitative easing program, however, signaled it'll remain at the dovish end of the global policy spectrum, forecasting GDP growth of 4.25% over 2022 and 2% over 2023, unemployment rate to fall below 4% later in the year and to be around 3.75% at the end of 2023, and underlying inflation to accelerate further in coming quarters to around 3.25%, before slowing to around 2.75% over 2023.

- **Boral Ltd (BLD)** was up +5.8%, after announcing it will return A$3bn to shareholders following asset sales.

- **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	0.49%	-1.9%
ASX/S&P All Ords	0.61%	-1.7%
By Sector		
Banks	0.62%	-3.0%
Insurance	2.28%	-1.0%
Diversified Financials	2.55%	0.1%
Real Estate	0.71%	-1.4%
Consumer Discretionary	1.05%	0.4%
Industrials	0.78%	-1.3%
Telcos	0.38%	-2.5%
Utilities	2.57%	3.4%
Healthcare	0.97%	-0.7%
Consumer Staples	0.87%	-0.8%
Energy	0.27%	0.4%
Metals & Mining	-1.21%	-3.9%

ASX200 Top 5	Price (A$)	1D Chg (%)
APPEN LTD	10.38	7.9%
PENDAL GROUP LTD	5.16	7.3%
POINTSBET HOLDINGS LTD	5.17	6.4%
ST BARBARA LTD	1.30	6.1%
BORAL LTD	6.21	5.8%

ASX200 Bottom 5	Price (A$)	1D Chg (%)
BHP GROUP LTD	44.93	-3.1%
BRAMBLES LTD	9.43	-2.5%
RIO TINTO LTD	108.90	-2.4%
WORLEY LTD	11.28	-2.3%
REECE LTD	21.26	-2.2%

Market Valuations	PE-Multiple	Div. Yield
ASX200	***16.5.x***	***4.1%***
FTSE 100 Index	12.4.x	3.8%
DAX Index	13.9.x	2.9%
CAC 40 Index	14.5.x	2.9%
S&P 500 Index	20.5.x	1.5%
Dow Jones Ind. Avg	18.7.x	1.9%
NASDAQ	26.5.x	0.7%
NZX All Ords	30.6.x	2.7%
HANG SENG Index	11.2.x	3.1%
NIKKEI 225	16.5.x	2.0%
Shanghai Composite	10.9.x	2.8%

Source: Bloomberg, BTIG

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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	35,405	0.8%	-2.6%	1.3%	17.2%
S&P 500	USD	4,547	0.7%	-4.6%	3.4%	20.5%
NASDAQ Composite	USD	14,346	0.7%	-8.3%	-2.2%	7.0%
Stoxx Europe 600	EUR	475	1.3%	-2.7%	2.8%	18.5%
FTSE 100 (UK)	GBP	7,536	1.0%	2.0%	7.2%	16.5%
DAX (Germany)	EUR	15,619	1.0%	-1.7%	0.5%	14.7%
CAC (France)	EUR	7,099	1.4%	-0.7%	7.4%	30.0%
Nikkei 225	JPY	27,078	0.3%	-6.0%	-2.5%	-4.5%
ASX 200	AUD	7,006	0.5%	-5.9%	-6.5%	3.6%
ASX 200 Futures	AUD	6,964	0.8%	-5.2%	-4.5%	6.9%
Emerging Markets Equities						
MSCI Emerging Markets	USD	1,208	1.4%	-1.9%	-5.4%	-11.2%
Hang Seng (HK)	HKD	23,802	1.1%	1.7%	-8.3%	-17.6%
Shanghai Composite	CNY	3,361	-1.0%	-7.6%	-1.1%	-3.5%
Korea	KRW	2,663	1.9%	-10.6%	-16.8%	-10.5%
Taiwan	TWD	17,674	-0.2%	-2.1%	2.3%	12.6%
Brazil	BRL	113,251	1.0%	8.0%	-7.0%	-3.6%
Bombay Stock Exchange (India)	INR	58,863	1.5%	1.0%	11.2%	18.2%
South Africa	ZAR	68,375	0.8%	2.0%	8.8%	18.6%
Foreign Exchange						
AUDUSD	Currency	0.7130	0.9%	-0.8%	-3.1%	-6.4%
AUDGBP	Currency	0.5272	-0.3%	1.2%	0.6%	5.8%
AUDEUR	Currency	0.6326	-0.6%	0.6%	-2.0%	-0.1%
AUDCNY	Currency	4.51	-0.3%	1.7%	5.6%	9.4%
Commodities						
LME ALUMINUM 3MO ($)	USD/mt	3,021	-2.0%	7.6%	16.6%	52.8%
LME COPPER 3MO ($)	USD/mt	9,506	0.0%	-2.2%	-2.3%	21.0%
LME NICKEL 3MO ($)	USD/mt	22,328	0.0%	7.6%	14.2%	26.2%
SILVER FUTURE Mar22	USD/oz	22.64	1.1%	-3.0%	-11.7%	-23.2%
ICE Newc Coal Fut Mar22	USD/mt	192.50	-3.7%	37.9%	54.5%	147.4%
62% Import Fine Ore in USD	USD/t	127.33	-0.7%	12.3%	-34.5%	-20.4%
Gold Spot $/Oz	USD/oz	1,802	0.3%	0.0%	-0.6%	-3.2%
WTI Oil	USD/bbl	88.32	0.2%	17.9%	27.2%	76.6%
Henry Hub	USD/mmBtu	5.56	-1.6%	51.9%	42.2%	103.7%
Corn	USD/Bu	634.50	1.4%	7.0%	16.0%	15.5%
Wheat	USD/Bu	769.50	1.1%	-0.2%	9.3%	18.2%
Fixed Interest						
10-Yr Bond Yield						
Australia	AUD	1.90%	0.4%	14.0%	61.1%	65.6%
US	USD	1.79%	0.5%	18.3%	46.1%	65.5%
Germany	EUR	0.04%	236.4%	120.9%	108.0%	107.2%
Japan	JPY	0.18%	1.1%	153.5%	718.2%	205.1%
Italy	EUR	1.41%	9.2%	20.6%	127.5%	127.5%
Australian Rates						
Cash Rate	AUD	0.10%	0.0%	0.0%	0.0%	0.0%
90-Day BBSW	AUD	0.07%	-13.3%	0.0%	225.0%	550.0%
180-Day BBSW	AUD	0.24%	-4.1%	14.6%	370.0%	1075.0%
CBOE Options						
CBOE VIX (Volatility Index)	Index	22.09	-11.0%	28.3%	21.1%	-27.0%

Source: BTIG, Bloomberg

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