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Latest news

* **The US Federal Reserve Beige Book** reported, "Most Fed districts said economic activity increased modestly since the previous beige book period, but conditions remained varied."

* **In US economic data**, consumer prices lifted 0.4% in December to be up 1.4% on a year ago (survey: +1.3%). Core consumer prices rose 0.1% in the month to be up 1.6% on a year ago (survey: +1.6%). The budget deficit widened from US\$13.3 billion in December 2019 to US\$143.6 billion in December 2020 (survey: -US\$143.5bn). MBA mortgage applications rose 16.7% last week.

* **European sharemarkets** were little changed on Wednesday. The pan-European STOXX 600 index rose by just 0.1%. Telecoms stocks climbed 1.1% but travel and leisure shares shed 1.1%. Spanish telecoms giant Telefonica (+9.7%) announced a US\$9.4 billion mobile phone mast sale to American Towers. The German Dax index also rose 0.1%, but the UK FTSE index lost 0.1% with UK-listed shares of Rio Tinto (-2.2%) and BHP (-1.4%) both down.

* **US sharemarkets** were mixed on Wednesday amid political turmoil in Washington. Intel's shares jumped 7.0% after the chipmaker named a new CEO. Other tech-related names also lifted with Netflix (+2.7%), Amazon (+1.4%) and Apple (+1.6%) all trading higher. Exxon Mobil shares gained 1.1% after JPMorgan upgraded the stock to "overweight". At the close of trade, the Dow Jones index fell by 8 points or 0.03%. But the S&P 500 index was 0.2% higher and the Nasdaq index gained 56.5 points or 0.4%.

* **Longer-dated US treasury yields** fell on Wednesday after investors lapped up an auction of 30-year debt. The US Treasury sold US\$24 billion of 30-year notes at a yield of 1.825% into strong demand. US 2-year yields were little changed near 0.147%. But US 10-year yields fell by around 4 points to near 1.097%.

* **Major currencies** were weaker against the US dollar in European and US trade. The Euro fell from highs near US\$1.2221 to lows near US\$1.2138 and was near US\$1.2155 at the US close. The Aussie dollar fell from highs near US\$0.7777 cents to lows near US\$0.7722 cents and was near US\$0.7740 cents at the US close. And the Japanese yen eased from near 103.61 yen per US dollar to near JPY103.99 and was near JPY103.90 at the US close.

* **Global oil prices** slid on Wednesday as a stronger US dollar and refined products supplies offset shrinking US crude supplies. Inventories fell by 3.2 million barrels last week, but gasoline stocks jumped by 4.4 million barrels, according to the US government. Brent crude fell by US52 cents or 0.9% to US\$56.06 a barrel. And the US Nymex lost US30 cents or 0.6% to US\$52.91 a barrel.

* **Base metal prices** were mixed on Wednesday with lead (+1.7%) and tin (+0.8%) up most. Copper (+0.4%) pared early gains as the US dollar firmed. But zinc (-0.2%) and aluminium (-0.1%) both fell.

* **The gold futures** price gained US\$10.70 an ounce or 0.6% to US\$1,854.90 an ounce. **Spot gold** was trading near US\$1,848 an ounce at the US close. **Iron ore** fell by US\$2.35 or 1.4% to US\$169.00 a tonne due to further virus curbs in Hebei, China.

Ahead: China trade data is scheduled. US initial jobless claims and trade prices data are due. US Fed Chair Jerome Powell speaks.

Latest Prices

	Level	chg	% chg
US Dow Jones	31060.47	-8.22	0.0
US S&P500	3809.84	+8.65	0.2
US Nasdaq	13128.95	+56.517	0.4
UK FTSE	6745.52	-8.59	-0.1
German Dax	13939.71	+14.65	0.1
Toronto Composite	17934.74	-51.06	-0.3
ASX24 Futures (night)	6622	+7	0.1
ASX200 (yesterday)	6686.60		
Shanghai (yesterday)	3598.65	-9.6871	-0.3
Japan Nikkei (y'day)	26926.86	131.27	0.5
WBC ADRs	15.96	+0.04	0.3
BHP ADRs	71.07	-0.88	-1.2
Rio Tinto (UK) pence	5996.44	-134	-2.2
BHP (UK) pence	2128.00	-29.5	-1.4
US Volatility (Vix)	22.31		-4.4
Volume traded: NYSE (million)		995.27	
	<u>Current</u>	<u>Aust 4pm</u>	
AUD/USD	0.7738	0.776	
EUR/USD	1.2157	1.2208	
USD/JPY	103.88	103.63	
GBP/USD	1.3636	1.3679	
NZD/USD	0.7179	0.7221	
AUD/NZD	1.0776		
AUD TWI 4pm	63.7		
Oil Brent (\$US/b)	56.06	-0.52	-0.9%
Oil Nymex (\$US/b)	52.91	-0.30	-0.6%
Oil Tapis (\$US/b)	59.06	1.10	1.9%
Spot Gold (\$US/oz)	1848.56		
Gold futures (\$US/oz)	1854.90	10.70	0.6%
Spot Iron Ore (\$US/t)	169.00	-2.35	-1.4%
Iron Ore futures (\$US/t)	168.73		
Thermal coal (\$US/t)	87.30	0.80	0.9%
Coking coal (CNY/t)	1553		
Uranium, weekly (\$US/lb)	30.05	0.00	0.0%
US 10 year (%)	1.0968	-0.04	
US 2 year (%)	0.147	0.00	
Aust 10 year (%)	1.045	-0.04	
Aust 3 year (%)	0.12	0.00	
Aust 90 day futures	99.97	Impl.yld:	0.03%
Aluminium (\$US/t)	2015.50	-2.85	-0.1%
Copper (\$US/t)	7994.50	30.00	0.4%
Lead (\$US/t)	2034.75	33.50	1.7%
Nickel (\$US/t)	17627.00	12.65	0.1%
Zinc (\$US/t)	2750.50	-5.25	-0.2%
Tin (\$US/t)	21320.00	163.75	0.8%

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