

Thursday October 21, 2021

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Latest news

***The US Federal Reserve Beige Book** noted that the US economy is expanding at a "modest to moderate rate" and "most districts reported significantly elevated prices" due to "supply chain bottlenecks."

* **In US economic data**, MBA mortgage applications fell by 6.3% in the past week.

* **European sharemarkets** closed higher on Wednesday. The pan-European STOXX 600 index rose by 0.3%. Shares of Swedish power products manufacturer Husqvarna jumped 8.4% after beating third-quarter profit expectations. The German Dax and UK FTSE indexes both edged higher by 0.1%. In London trade shares in Rio Tinto dropped by 3.3% and shares in BHP slid 0.3%.

* **US sharemarkets** were mixed on Wednesday as traders weighed company earnings results against risks from inflationary pressures. Shares of Verizon Communications (+2.4%) and healthcare company Anthem (+7.7%) were higher after better-than-expected results. But Novavax shares plunged 14.8% on another vaccine delay. And Netflix shares fell by 2.2% on an underwhelming outlook. The Dow Jones index rose by 152 points or 0.4% after briefly touching a record high. The S&P 500 index also gained 0.4%. But the Nasdaq index fell by 7 points or 0.1%.

* **US treasury yields** were mixed on Wednesday after the US Treasury sold US\$24 billion worth of 20-year notes at a yield of 2.1% into weak demand. US 10-year yields rose by 1 point to near 1.645% but eased from a 5-month high of 1.673% earlier in the session. And US 2-year yields fell by 1 point to near 0.38%.

* **Major currencies** were firmer against the US dollar in European and US trade. The Euro rose from lows near US\$1.1616 to highs near US\$1.1657 and was near US\$1.1650 at the US close. The Aussie dollar lifted from lows near US74.79 cents to highs near US75.22 cents and was near US75.20 cents at the US close. And the Japanese yen climbed from 114.57 yen per US dollar to JPY114.08 and was near the JPY114.30 at the US close.

* **Global oil prices** rose by 1% on Wednesday as US crude stockpiles dropped. US crude inventories fell by 431,000 barrels last week, the US EIA said, against expectations for an increase of 1.857 million barrels. The Brent crude price rose by US74 cents or 0.9% to 3-year highs of US\$85.82 a barrel. And the US Nymex crude price added US91 cents or 1.1% to 7-year highs of US\$83.87 a barrel.

* **Base metal prices** were mixed on Wednesday. Aluminium (-1.2%) and copper (-0.1%) slipped after China announced policies aimed at stabilising power supplies for the winter. But nickel (+4.5%) surged to 7-year highs after Vale cut its nickel output.

* The **gold futures** price rose by US\$14.40 or 0.8% to US\$1,784.90 an ounce. **Spot gold** was trading near US\$1,785 an ounce at the US close. **Iron ore** added US95 cents or 0.8% to US\$124.45 a tonne.

Ahead: In Australia, detailed labour force and weekly payroll jobs & wages data are issued. In the US, weekly initial jobless claims and existing home sales data are released with the Conference Board leading index and the Philadelphia Fed manufacturing index.

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Latest Prices

	Level	chg	% chg
US Dow Jones	35609.34	+152.03	0.4
US S&P500	4536.19	+16.56	0.4
US Nasdaq	15121.68	-7.412	-0.1
UK FTSE	7223.10	+5.57	0.1
German Dax	15522.92	+7.09	0.1
Toronto Composite	21188.19	+101.2	0.5
ASX24 Futures (night)	7396	+12	0.2
ASX200 (yesterday)	7413.70		
Shanghai (yesterday)	3587.00	-6.1524	-0.2
Japan Nikkei (y'day)	29255.55	40.03	0.1
WBC ADRs	19.33	+0.16	0.8
BHP ADRs	57.98	-0.1	-0.2
Rio Tinto (UK) pence	4885.50	-164.5	-3.3
BHP (UK) pence	1980.80	-5.5	-0.3
US Volatility (Vix)	15.61		-0.6
Volume traded: NYSE (million)		499.73	

	Current	Aust 4pm
AUD/USD	0.7520	0.7497
EUR/USD	1.1649	1.1648
USD/JPY	114.30	114.53
GBP/USD	1.3824	1.3807
NZD/USD	0.7205	0.7176
AUD/NZD	1.0431	
AUD TWI 4pm	62.8	

Oil Brent (\$US/b)	85.82	0.74	0.9%
Oil Nymex (\$US/b)	83.87	0.91	1.1%
Oil Tapis (\$US/b)*	85.58	-0.70	-0.8%
Spot Gold (\$US/oz)	1784.56		
Gold futures (\$US/oz)	1784.90	14.40	0.8%
Spot Iron Ore (\$US/t)	124.45	0.95	0.8%
Iron Ore futures (\$US/t)	123.08		
Thermal coal (\$US/t)	231.50	1.60	0.7%
Coking coal (CNY/t)	3995		
Uranium, weekly (\$US/lb)	37.25	-4.00	-9.7%

US 10 year (%)	1.6452	0.01	
US 2 year (%)	0.3793	-0.01	
Aust 10 year (%)	1.775	-0.03	
Aust 3 year (%)	0.73	-0.02	
Aust 90 day futures	99.93	Impl.yld:	0.07%

Aluminium (\$US/t)	3054.50	-38.50	-1.2%
Copper (\$US/t)	10481.25	-6.25	-0.1%
Lead (\$US/t)	2453.50	53.00	2.2%
Nickel (\$US/t)	21046.00	915.50	4.5%
Zinc (\$US/t)	3596.50	80.75	2.3%
Tin (\$US/t)	39475.00	615.00	1.6%

* Source: Bloomberg.

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