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Latest news

* **In testimony before the US Senate Banking Committee, US Federal Reserve Governor Lael Brainard** said the US central bank could raise interest rates as early as March. Dr. Brainard said, "The committee has projected several hikes over the course of the year."

* **In US economic data**, the producer price index (PPI) lifted 0.2% in December to be up by a near-record 9.7% on the year (survey: +9.8%). The core measure (ex-food and energy) rose 0.5% to be up by a record 8.3% on a year ago (survey: +8%). Initial jobless claims rose by 23,000 to 230,000 in the past week (survey: 200,000).

* **European sharemarkets** were little changed on Thursday. The pan-European STOXX 600 index ended flat. Shares of household goods dropped by 1.2% while autos shares gained 1.6%. The German Dax index rose by 0.1% and the UK FTSE index gained 0.2%. In London trade, shares in Rio Tinto (+0.2%) and BHP (+1.1%) both lifted.

* **US sharemarkets** fell on Thursday amid widespread calls from US central bank officials to raise US interest rates. Weakness in megacap technology shares, including Tesla (-6.8%), Microsoft (-4.2%), Amazon (-2.4%) and Apple (-1.9%) weighed on the Nasdaq index. Shares of Snap plunged 10.2%. At the close of trade, the Dow Jones index fell by 177 points or 0.5% after lifting 223 points earlier in the session. The S&P 500 index lost 1.4% and the Nasdaq index dropped 382 points or 2.5%.

* **US treasury yields** dipped on Thursday after data showed a modest rise in US producer prices in December and an unexpected increase in weekly jobless claims. The US Treasury sold US\$22 billion of 30-year notes at a yield of 2.075% into solid demand. US 10-year yields fell by 3 points to near 1.695%. And US 2-year yields slid by 1 point to near 0.89%.

* **Major currencies** were mixed against the US dollar in European and US trade. The Euro rose from lows near US\$1.1438 to highs near US\$1.1478 and was near US\$1.1455 at the US close. The Aussie dollar fell from highs near US73.13 cents to lows near US72.74 cents and was near US72.80 cents at the US close. And the Japanese yen rose from near 114.64 yen per US dollar to JPY113.99 and was near JPY114.10 at the US close.

* **Global oil prices** eased on Thursday. Investors took profits after two days of gains amid fears of aggressive US interest rate hikes, but the losses were cushioned by expectations that a strong economic recovery will boost demand. The Brent crude price fell by US20 cents or 0.2% to US\$84.47 a barrel. And the US Nymex crude price lost US52 cents or 0.6% to US\$82.12 a barrel.

* **Base metal prices** were mixed on Thursday. Nickel rose by 0.8% to the highest level since 2011. But copper eased by 1.1% from three-month highs despite supply concerns. Tin fell by 2%.

* The **gold** futures price fell by US\$5.90 or 0.3% to US\$1,821.40 an ounce. **Spot gold** was trading near US\$1,822 an ounce at the US close. **Iron ore** dipped by US\$3.65 or 2.8% to US\$127.95 a tonne.

Ahead: In Australia, lending data is issued. China trade data is due. In the US, retail sales, import/export prices, industrial production, consumer sentiment and business inventories data are all scheduled.

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Latest Prices

	Level	chg	% chg
US Dow Jones	36113.62	-176.7	-0.5
US S&P500	4659.03	-67.32	-1.4
US Nasdaq	14806.81	-381.58	-2.5
UK FTSE	7563.85	+12.13	0.2
German Dax	16031.59	+21.27	0.1
Toronto Composite	21292.96	-102.04	-0.5
ASX24 Futures (night)	7328	-38	-0.5
ASX200 (yesterday)	7474.40		
Shanghai (yesterday)	3555.26	-42.1736	-1.2
Japan Nikkei (y'day)	28489.13	-276.53	-1.0
WBC ADRs	15.64	-0.05	-0.3
BHP ADRs	67.10	-0.05	-0.1
Rio Tinto (UK) pence	5474.00	+11	0.2
BHP (UK) pence	2401.50	+26.5	1.1
US Volatility (Vix)	20.05		13.8
Volume traded: NYSE (million)		844.02	
	<u>Current</u>	<u>Aust 4pm</u>	
AUD/USD	0.7279	0.7289	
EUR/USD	1.1454	1.1441	
USD/JPY	114.11	114.56	
GBP/USD	1.3703	1.3713	
NZD/USD	0.686	0.6858	
AUD/NZD	1.0602		
AUD TWI 4pm	61.2		
Oil Brent (\$US/b)	84.47	-0.20	-0.2%
Oil Nymex (\$US/b)	82.12	-0.52	-0.6%
Oil Tapis (\$US/b)*	89.55	0.54	0.6%
Spot Gold (\$US/oz)	1821.81		
Gold futures (\$US/oz)	1821.40	-5.90	-0.3%
Spot Iron Ore (\$US/t)	127.95	-3.65	-2.8%
Iron Ore futures (\$US/t)	127.79		
Thermal coal (\$US/t)	211.5	8.50	4.2%
Coking coal (CNY/t)	2324		
Uranium, weekly (\$US/lb)	45.75	3.75	8.9%
US 10 year (%)	1.6953	-0.03	
US 2 year (%)	0.8929	-0.01	
Aust 10 year (%)	1.81	-0.05	
Aust 3 year (%)	0.99	-0.01	
Aust 90 day futures	99.83	Impl.yld:	0.17%
Aluminium (\$US/t)	2939.86	-31.15	-1.0%
Copper (\$US/t)	9972.25	-108.75	-1.1%
Lead (\$US/t)	2373.00	12.75	0.5%
Nickel (\$US/t)	22417.00	187.25	0.8%
Zinc (\$US/t)	3581.85	13.35	0.4%
Tin (\$US/t)	40882.00	-829.00	-2.0%

* Source: Bloomberg.