

Wednesday May 18, 2022

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Latest news

* **In US economic data**, retail sales rose by 0.9% in April in line with forecasts. Industrial production rose by 1.1% in April (survey: +0.5%). Business inventories rose 2.0% in March (survey: 1.9%). The NAHB housing market index fell from 77 to 69 in May (survey: 75).

* Speaking at a Wall Street Journal event, **US Federal Reserve chair Jerome Powell** said *"What we need to see is inflation coming down in a clear and convincing way and we're going to keep pushing until we see that."*

* **European sharemarkets** were firmer on Tuesday on hopes for an easing of Covid restrictions in China. Shanghai recorded three straight days with no new COVID-19 cases outside quarantine zones. Positive earnings results also boosted investor sentiment. Miners rose by 3.2% with banks up 1.9% and industrials up by 1.8%. The pan-European STOXX 600 index rose 1.2%. The German Dax index rose by 1.6% while the UK FTSE index lifted by 0.7%. In London trade, shares in Rio Tinto rose by 2.5% while BHP shares rose by 2.0%.

* **US sharemarkets** were firmer on Tuesday with strong data on retail sales and production allaying concerns about the health of the economy. Financials, materials and technology all rose by near 3%. But shares in Walmart fell 11.4% after the retail giant trimmed its annual profit forecast. Investors also weighed latest comments from the Fed chair. The Dow Jones index closed higher by 431 points or 1.3%. The S&P 500 index rose by 2.0% and the Nasdaq index gained 322 points or 2.8%.

* **US treasuries** fell on Tuesday (yields higher) in response to strong economic data. US 10-year yields rose by 10 points to near 2.98%. And US 2-year yields rose by 14 points to near 2.71%.

* **Major currencies** were mixed against the US dollar in European and US trade. The Euro rose from lows near US\$1.0450 to highs near US\$1.0553 and was near US\$1.0545 at the US close. The Aussie dollar fell from highs near US70.40 cents to lows near US69.90 cents and was back near US70.20 cents at the US close. And the Japanese yen held between 129.06 yen per US dollar and JPY129.75 and was near JPY129.35 at the US close.

* **Global oil prices** fell by near 2% on Tuesday, reversing gains earlier in the session. News that the Venezuelan government raised hopes that the South American oil producer could lift crude output. The Brent crude price fell by US\$2.31 or 2.0% to US\$111.93 a barrel. And the US Nymex crude price fell by US\$1.80 or 1.6% to US\$112.40 a barrel.

* **Base metal prices** rose by between 0.4-2.8% on Tuesday with lead up the least and zinc up the most. But nickel bucked the trend, down by 0.5%.

* The **gold futures** price rose by US\$4.90 or 0.3% to US\$1,818.90 an ounce. **Spot gold** was trading near US\$1,815 an ounce at the US close. The **iron ore futures** price fell by US92 cents or 0.7% to US\$131.58 a tonne.

Latest Prices

	Level	chg	% chg
US Dow Jones	32654.59	+431.17	1.3
US S&P500	4088.85	+80.84	2.0
US Nasdaq	11984.52	+321.732	2.8
UK FTSE	7518.35	+53.55	0.7
German Dax	14185.94	+221.56	1.6
Toronto Composite	20491.01	+284.6	1.4
ASX24 Futures (night)	7112.50	+66	0.9
ASX200 (yesterday)	7112.50		
Shanghai (yesterday)	3093.70	+19.9477	0.6
Japan Nikkei (y'day)	26659.75	112.70	0.4
JHX ADRs	26.80	-0.46	-1.7
BHP ADRs	65.55	+2.08	3.3
Rio Tinto (UK) pence	5470.00	+131	2.5
BHP (UK) pence	2626.00	+50.5	2.0
US Volatility (Vix)	26.22		-4.6
Volume traded: NYSE (million)		1067.67	
	<u>Current</u>	<u>Aust 4pm</u>	
AUD/USD	0.7018	0.7007	
EUR/USD	1.0543	1.0445	
USD/JPY	129.36	129.34	
GBP/USD	1.248	1.2347	
NZD/USD	0.6354	0.6332	
AUD/NZD	1.1043		
AUD TWI 4pm	62.5		
Oil Brent (\$US/b)	111.93	-2.31	-2.0%
Oil Nymex (\$US/b)	112.4	-1.80	-1.6%
Oil Tapis (\$US/b)	121.59	6.47	5.6%
Spot Gold (\$US/oz)	1815.09		
Gold futures (\$US/oz)	1818.90	4.90	0.3%
Bitcoin (\$US)	30096.04		
Iron Ore futures (\$US/t)	131.58	-0.92	-0.7%
Thermal coal (\$US/t)	413.65	11.15	2.8%
Coking coal (CNY/t)	3000		
Uranium, weekly (\$US/lb)	54.00	1.00	1.9%
US 10 year (%)	2.9915	0.11	
US 2 year (%)	2.7127	0.14	
Aust 10 year (%)	3.46	0.03	
Aust 3 year (%)	3.05	0.05	
Aust 90 day futures	98.61	Impl.yld:	1.39%
Aluminium (\$US/t)	2864.75	62.00	2.2%
Copper (\$US/t)	9386.25	130.75	1.4%
Lead (\$US/t)	2085.50	8.26	0.4%
Nickel (\$US/t)	26328.00	-121.50	-0.5%
Zinc (\$US/t)	3665.25	100.75	2.8%
Tin (\$US/t)	34305.00	260.00	0.8%

Sources: Bloomberg; CME Group; Refinitiv.

Ahead: In Australia, the wage price index is released. In the US, data on housing starts and building permits are released.

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