

Tuesday, 28 September 2021

Equities (close & % change)			Sydney Futures Exchange (close & change)					Interest rates (close & change)		
S&P/ASX 200	7,384	0.6%	<b>Last</b>		<b>Overnight Chg</b>			<b>Australia</b>		
US Dow Jones	34,869	0.2%	10 yr bond	98.54	-0.03			90 day BBSW	0.02	0.00
Japan Nikkei	30,240	0.0%	3 yr bond	99.55	-0.02			2 year bond	0.03	0.00
China Shanghai	3,755	-0.8%	3 mth bill rate	99.96	-0.01			3 year bond	0.29	-0.01
German DAX	15,574	0.3%	SPI 200	7,311.0	-42			3 year swap	0.50	0.00
UK FTSE100	7,063	0.2%	FX Last 24 hrs	Open	High	Low	Current	10 year bond	1.41	0.00
<b>Commodities (close &amp; change)*</b>			TWI	61.1	-	-	61.0	<b>United States</b>		
CRB Index	228.2	2.9	AUD/USD	0.7260	0.7294	0.7250	0.7287	3-month T Bill	0.02	-0.01
Gold	1,750.16	-0.3	AUD/JPY	80.37	80.97	80.38	80.88	2 year bond	0.28	0.01
Copper	9,341.75	59.3	AUD/GBP	0.5312	0.5333	0.5294	0.5318	10 year bond	1.49	0.04
Oil (WTI)	75.41	0.0	AUD/NZD	1.0348	1.0399	1.0350	1.0392	<b>Other (10 year yields)</b>		
Coal (thermal)	202.95	14.9	AUD/EUR	0.6192	0.6235	0.6193	0.6230	Germany	-0.22	0.01
Coal (coking)	367.67	-5.7	AUD/CNH	4.6920	4.7097	4.6891	4.7069	Japan	0.06	0.00
Iron Ore	117.10	-1.9	USD Index	93.3	93.5	93.2	93.4	UK	0.95	0.03

Data as at 7:30am AEST. Change from previous trading day (excluding the SFE which is the change during the night session). Source: Bloomberg.

**Main Themes:** US equities were mixed and bond yields rose while the US dollar was unchanged. Signs of a global energy crunch pushed up oil prices.

**Share Markets:** The Dow rose 0.2% while the S&P 500 slipped 0.3% and the Nasdaq fell 0.5%. The ASX 200 climbed 0.6%.

**Interest Rates:** The US 10-year treasury yield rose 4 basis points to 1.49%, touching 1.51% intraday – a three-month high. The US 2-year yield hovered around 0.28%.

The Australian 10-year (futures) yield rose 3 basis points to 1.47% while the 3-year futures yield hovered around 0.46%.

**Foreign Exchange:** The AUD/USD roundtripped from 0.7290 to 0.7250 and back, finishing at 0.7287. The US dollar was unchanged on the day.

**Commodities:** WTI crude oil rose amid signs the market is rapidly tightening from a global energy crunch. Iron ore fell, gold firmed.

**COVID-19:** NSW recorded 787 new cases yesterday and 12 deaths.

The NSW Premier announced a three-stage roadmap out of lockdown.

Stage one will be in effect when the state reaches the 70% vaccination target. This is expected to occur by 11 October. Some restrictions will lift for vaccinated residents in line with the roadmap previously announced.

Stage two will be in effect once 80% of the eligible population is vaccinated. This is expected to occur in late October. Travel across all of NSW will resume for fully vaccinated people, numerous restrictions will lift and venues will be allowed to open for fully vaccinated people, with trailing restrictions.

Stage three will be in effect from 1 December. From then, unvaccinated people will be subject to the same rules as those that are fully vaccinated and further restrictions will lift.

Victoria recorded 705 new cases and one death. Elsewhere, the ACT recorded 19 new cases and one death.

**Australia:** There were no major economic data releases yesterday.

**Eurozone:** Money supply growth accelerated, growing 7.9% over the year to August, following 7.6% growth in the year to July.

**United States:** Durable goods orders rose 1.8% in August, stronger than the 0.6% gain expected and the 0.5% increase in July. Demand remains solid although constrained by shortages of materials and labour. The measure excluding transport was up 0.2% in the month.

The Dallas Fed manufacturing survey missed expectations, slipping to 4.6 in September, from 9.0 in August. However, with a reading above zero, the index remains in expansionary territory. A decline in new orders and the outlook were the main

components which weighed on the reading.

Several Federal Reserve members made comments overnight. Governor Brainard said the labour market could soon meet her yardstick for scaling back asset purchases, while the Delta variant could increase upside risks for inflation. New York President Williams noted tapering bond purchases may soon be warranted while Chicago President Evans said he sees the first move on raising rates in 2023.

**Today's key data and events:**

AU ANZ RM Cons. Conf. w/e 26 Sep prev 103.3 (9:30am)  
AU Retail Sales Aug exp -1.5% prev -2.7% (11:30am)  
CH Industrial Profits Aug y/y prev 16.4% (11:30am)  
US FHFA House Prices Jul exp 1.5% prev 1.6% (11pm)  
US S&P CL House Prices Jul exp 1.62% prev 1.77% (11pm)  
US Cons. Conf. Index Sep exp 115.0 prev 113.8 (12am)  
US Richmond Fed Mfg Index Sep exp 10 prev 9 (12am)

Times are AEST. All data forecasts are m/m or q/q and seasonally adjusted unless otherwise specified. Forecasts for Australian data are our forecasts and for other countries they are consensus forecasts.

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