

Morning Report

Tuesday, 26 October 2021



Equities (close & % change)			Sydney Futures Exchange (close & change)					Interest rates (close & change)		
S&P/ASX 200	7,441	0.3%			Last	Overnight Chg		Australia		
US Dow Jones	35,741	0.2%	10 yr bond	98.22			0.03	90 day BBSW	0.04	0.00
Japan Nikkei	28,600	-0.7%	3 yr bond	99.08			0.02	2 year bond	0.12	0.00
China Shanghai	3,783	0.8%	3 mth bill rate	99.91			-0.01	3 year bond	0.72	-0.02
German DAX	15,599	0.4%	SPI 200	7,438.0			14	3 year swap	0.94	0.00
UK FTSE100	7,223	0.3%	FX Last 24 hrs	Open	High	Low	Current	10 year bond	1.77	-0.02
Commodities (close & change)*			TWI	62.6	-	-	62.6	United States		
CRB Index	240.6	0.0	AUD/USD	0.7469	0.7505	0.7464	0.7491	3-month T Bill	0.05	-0.01
Gold	1,807.73	15.1	AUD/JPY	84.81	85.31	84.73	85.18	2 year bond	0.44	-0.02
Copper	9,792.00	-156.5	AUD/GBP	0.5428	0.5447	0.5424	0.5442	10 year bond	1.63	0.00
Oil (WTI)	83.76	0.0	AUD/NZD	1.0447	1.0492	1.0436	1.0456	Other (10 year yields)		
Coal (thermal)	195.45	14.5	AUD/EUR	0.6411	0.6458	0.6412	0.6452	Germany	-0.11	-0.01
Coal (coking)	394.33	2.3	AUD/CNH	4.7677	4.7864	4.7645	4.7810	Japan	0.11	0.01
Iron Ore	117.95	0.0	USD Index	93.6	94.0	93.5	93.8	UK	1.14	0.00

Data as at 9:00am AEDT. Change from previous trading day (excluding the SFE which is the change during the night session). Source: Bloomberg.

Main Themes: Risk sentiment improved as investors await a string of earnings reports from large US companies. US equities rose to a fresh all-time high. Short-term bond yields were down, and the US dollar rose against major currencies.

Share Markets: US equities rose to new all-time highs as investors await earnings reports from mega cap technology stocks. The S&P 500 rose 0.5% and the tech-heavy Nasdaq was up 0.9%.

The ASX 200 rose 0.3%. Futures are pointing to a positive open in today's session.

Interest Rates: The US 10-year treasury yield was broadly unchanged at 1.63%. The 2-year yield fell by 2 basis points to 0.44%.

The Australian 10-year government bond yield (futures) fell from 1.82% to 1.79%. The 3-year government bond yield (futures) fell from 0.95% to 0.92%.

Foreign Exchange: The US dollar rose against a basket of major currencies. The USD Index rose from a low of 93.5 to a high of 94.0, before settling at 93.8.

The AUD/USD pair rose from a low of 0.7464 to a high of 0.7505, before pulling back to around 0.7491.

Commodities: Gold and coal were higher on the day. Iron ore and oil were flat, while copper fell.

COVID-19: NSW recorded 294 new cases and four

deaths yesterday. Victoria recorded 1,461 new cases and seven deaths. Elsewhere, the ACT recorded nine new cases.

Australia: There were no major economic data releases yesterday.

Eurozone: The IFO survey of German business confidence declined to 95.4 in October, from 97.4, reaching an eight-month low. Higher costs and supply shortages drove the fall. The assessment of current conditions held steady at 100.1, from 100.4 in the previous month.

United States: US Fed activity surveys were mixed. The Chicago Fed national activity survey slipped to -0.13 in September, from 0.05. The fall reflected a 1.3% contraction in industrial production, likely reflecting supply shortages and cost constraints.

Meanwhile, the Dallas Fed manufacturing survey for October beat expectations, rising to 14.6 from 4.6. However, the survey continued to indicate that prices remain at extremely high levels.

Today's key data and events:

AU ANZ RM Cons. Conf. w/e 24 Oct prev 107.0 (9:30am)

US FHFA House Prices Aug exp 1.5% prev 1.4% (12am)

US S&P CL CS House Prices Aug exp 1.5% prev 1.6%
(12am)

US New Home Sales Sep exp 756k prev 740k (1am)

US Consumer Conf. Index Oct exp 108.5 prev 109.3 (1am)

US Richmond Fed Index Oct exp 5 prev -3 (1am)

Times are AEDT. 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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