

23 December 2021

Stocks having again overnight as markets shake off near-term concerns

- Global markets.** US markets rose again overnight, to make it two consecutive sessions of gains, as investors chose to look past the triple near-term concerns of a hawkish Fed, global Omicron outbreaks and a lack of fiscal support (via BBB). For the session, all indices across both the US and Europe were higher – in a range of 0.6% to 1.2% - with the FTSE being weakest of the majors (due to stronger pound).
- Tech leads.** Last night's gains were dominated by the tech-heavy Nasdaq, as growth comes back into favour given long-dated yields remain well off the highs of the year, while shares of **Tesla** shot higher (by 7%) as Elon Musk advised he had now sold the entirety of his 10% parcel, as foreshadowed last month.
- Covid-winners continue to decline.** Amongst other segments of the market, and despite broad strength in tech, the classic Covid-winners such as **Peloton** (-4%), **Zoom** (-3%) and **Robinhood** (-3%) could not catch a bid, with the companies closing sharply lower again, to now be off by an average of ~75% from their highs of the past year.
- In other markets,** the **USD** declined against a basket of major currencies, which in-turn helped **commodity** prices, with **precious metals** higher by ~1% (including a move by **gold** through US\$1,800/ounce), while **oil**, **tin** and **copper** were also strong and **spot uranium** prices were unchanged. Elsewhere, **bond yields** were flat-to-lower, with the US 10-year yield closing down by 2bps at 1.45%. And finally, the **VIX Index** lost another 12% with an 18-handle, after having traded as high as 35 earlier in the month.
- Futures point higher.** Given the strong lead from Wall Street, it appears local stocks will open higher again this morning, with futures currently up by 39 points, or ~0.5% at the time of writing. In economic news, there will be nothing of note locally, while tomorrow morning (local time) US PCE figures are due, as are durable goods orders and the Michigan consumer sentiment reading – where analysts expect a MoM improvement.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,682.6	7,666.7	0.2%
ASX 200	7,364.8	7,355.0	0.1%
ASX Emerging Companies	2,566.3	2,550.5	0.6%

US Markets

Dow Jones	35,753.9	35,492.7	0.7%
S&P500	4,696.6	4,649.2	1.0%
Nasdaq	15,521.9	15,341.1	1.2%
Russell 2000	2,221.9	2,201.6	0.9%

Asian & European Markets

Shanghai Composite	3,622.6	3,625.1	-0.1%
Nikkei	28,562.2	28,517.6	0.2%
Hang Seng	23,102.3	22,971.3	0.6%
FTSE 100	7,341.7	7,297.4	0.6%
DAX 30	15,593.5	15,447.4	0.9%
CAC 40	7,051.7	6,965.0	1.2%

Economic Releases	Time	F'cast	Prior
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US Core PCE	0:30	4.5%	4.1%
US Durable Goods Orders	0:30	1.6%	-0.5%
Michigan Cons. Sentiment	2:00	70.4	67.4

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.300	0.275	9.1%
Family Zone Cyber Security	0.560	0.535	4.7%
LiveHire	0.340	0.330	3.0%
Elementos	0.540	0.525	2.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	72.97	71.48	2.1%
Gold	1,803.8	1,788.7	0.8%
Gold (Aus)	2,499.7	2,500.3	0.0%
Silver	22.80	22.50	1.3%
Uranium (Spot)	42.88	42.88	0.0%
Tin (Futures)	38,593	38,488	0.3%

Currency	Close	Prior	% Δ
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DX Index	96.07	96.48	-0.4%
AUD/USD	0.7216	0.7154	0.9%
AUD/GBP	0.5404	0.5393	0.2%
AUD/EUR	0.6370	0.6341	0.5%
AUD/YEN	82.35	81.63	0.9%
AUD/NZD	1.0591	1.0565	0.2%
AUD/CAD	0.9265	0.9241	0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	18.63	21.06	-11.5%
2-Year Treasury Yield (%)	0.671	0.669	0.3%
10-Year Treasury Yield (%)	1.452	1.473	-1.4%

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