

11 January 2022

## Markets close ~flat overnight following a ~2% intraday rally off the lows

- **Global markets.** While closing levels for US stocks would imply a reasonably quiet overnight session (all major indices ended in a range of +/- 0.4%), it was anything but; with the S&P, Nasdaq and Dow all off by well over 2% midway through the session, before each staging enormous intraday comebacks to close essentially flat – the Nasdaq actually ended higher by 0.05%. In Europe (where market's closed before the reversal), the major markets ended lower in a range of 0.5% - 1.4% for the day.
- **Tech drives the gains.** Following a sell-off in tech which saw the Nasdaq off by nearly 10% from its highs at one point last night, it was the same stocks which rebounded sharpest from the lows – with names such as **Facebook** bouncing 4% intraday, **Amazon** 3%, **Alphabet** 4% and higher-beta names like **Tesla** and **Nvidia** each gaining ~7% from the lows. Elsewhere, the gaming names were weak despite **Take-Two** (-13%) announcing a plan to buy **Zynga** (+41%).
- **In other markets,** the news that drove the early sell-off was another move higher in yields, with the **10-year** briefly touching 1.8% before settling down and ending the day ~unchanged at 1.77%. The spike came as investment bank's and JP Morgan CEO Jamie Dimon called for 4 "or more" rate rises for 2022. Elsewhere, the **Yen** was strong on a flight for safety, **precious metals** were likewise modestly up, **uranium** was unchanged, **oil** was off 0.6% and the **VIX Index** closed 3% higher after having been up by >20% at one stage.
- **Futures guiding lower.** Despite the sharp bounce in US markets this morning, it appears local futures didn't get the memo – with futures currently pricing in a 46 point, or ~0.6% decline at the start of trade. In economic news, today's major news items will be balance of trade and retail sales figures locally and speeches from ECB President Christine Lagarde and testimony from Fed Governor Powell later this evening and early tomorrow morning.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,766.1	7,774.4	-0.1%
ASX 200	7,447.1	7,453.3	-0.1%
ASX Emerging Companies	2,726.8	2,729.1	-0.1%

### US Markets

Dow Jones	36,068.9	36,231.7	-0.4%
S&P500	4,670.3	4,677.0	-0.1%
Nasdaq	14,942.8	14,935.9	0.0%
Russell 2000	2,171.7	2,179.8	-0.4%

### Asian & European Markets

Shanghai Composite	3,593.5	3,579.5	0.4%
Nikkei	28,478.6	28,478.6	0.0%
Hang Seng	23,746.5	23,493.4	1.1%
FTSE 100	7,445.3	7,485.3	-0.5%
DAX 30	15,768.3	15,947.7	-1.1%
CAC 40	7,115.8	7,219.5	-1.4%

Economic Releases	Time	F'cast	Prior
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Balance of Trade	11:30	A\$10.6	A\$11.2
Retail Sales	11:30	3.9%	4.9%
ECB's Lagarde Speaks	21:20		
Fed Chair Powell Speaks	02:00		

Key BW Names	Close	Prior	% Δ
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Jervois Mining	0.635	0.595	6.7%
Elementos	0.560	0.530	5.7%
LiveHire	0.375	0.360	4.2%
Forbidden Foods	0.200	0.200	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	78.40	78.90	-0.6%
Gold	1,801.3	1,796.4	0.3%
Gold (Aus)	2,510.5	2,503.4	0.3%
Silver	22.48	22.37	0.5%
Uranium (Spot)	45.75	45.75	0.0%
Tin (Futures)	39,826	39,826	0.0%

Currency	Close	Prior	% Δ
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DXY Index	95.97	95.74	0.2%
AUD/USD	0.7175	0.7176	0.0%
AUD/GBP	0.5285	0.5283	0.0%
AUD/EUR	0.6335	0.6319	0.3%
AUD/YEN	82.67	82.96	-0.3%
AUD/NZD	1.0614	1.0588	0.2%
AUD/CAD	0.9096	0.9077	0.2%

Other Markets	Close	Prior	% Δ
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VIX Index	19.35	18.76	3.1%
2-Year Treasury Yield (%)	0.900	0.870	3.4%
10-Year Treasury Yield (%)	1.768	1.766	0.1%

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