

12 January 2022

## Tech leads strong overnight rally, US inflation figures out tonight

- **Global markets.** It was a much strong session for risk-on assets overnight, with all major stock indices across both the US and Europe rising – led by the Nasdaq, which added 1.4% after being the most beaten-down of late – while the Russell 2000 also added 1%. The gains came despite another early morning sell-off (similar to the prior session) which saw the Nasdaq lower by ~0.5% before staging a ~2% intraday rally. Elsewhere, the major markets in Europe added ~1% for the day.
- **Growth names lead the gains.** Leading the gains overnight were many of the second-tier, and hyper-growth tech names, which have been leading the market lower for the past month, including the likes of **Roku** (+2% after a 16% decline MTD), **Roblox** (4% and -20%), **Rivian** (+3% and -30%), **Upstart** (+6% and -20%) and **Affirm** (+4% and -26%). At the megacap end of the market; **Apple**, **Amazon** and **Nvidia** each gained 2%.
- **In other markets,** the night's risk-on move could be seen across multiple asset classes including strong moves higher in **bitcoin** and **ethereum**, a 4% rally in **WTI crude**, a ~1% decline in the **Yen** against the **USD**, strength in **uranium** ETFs (up >1%) and a 5% decline on the **VIX**. Elsewhere, **bond yields** were marginally lower, with the 2-year off ~1bp and the 10-year down 2bps to close at 1.75%. Finally, **gold** and **oil** each gained >1%.
- **Futures point higher.** Unsurprisingly, local stocks look like they'll open sharply higher when trading commences this morning – with futures currently up by 63 points, or ~0.9% at the time of writing.
- **US inflation out tonight.** In economic news, today will see Chinese inflation and PPI figures released around midday, while the day's major news will be US inflation figures (out early tomorrow morning); where expectations are for a 7% YoY headline print and 5.4% core number (up from 4.9% last month). The respective MoM figures expected are 0.4% and 0.5%.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,710.7	7,766.1	-0.7%
ASX 200	7,390.1	7,447.1	-0.8%
ASX Emerging Companies	2,723.7	2,726.8	-0.1%

<u>US Markets</u>			
Dow Jones	36,252.0	36,068.9	0.5%
S&P500	4,713.1	4,670.3	0.9%
Nasdaq	15,153.5	14,942.8	1.4%
Russell 2000	2,192.9	2,171.7	1.0%

<u>Asian &amp; European Markets</u>			
Shanghai Composite	3,567.4	3,593.5	-0.7%
Nikkei	28,222.5	28,478.6	-0.9%
Hang Seng	23,739.1	23,746.5	0.0%
FTSE 100	7,491.4	7,445.3	0.6%
DAX 30	15,941.8	15,768.3	1.1%
CAC 40	7,183.4	7,115.8	1.0%

Economic Releases	Time	F'cast	Prior
China Inflation	12:30	1.8%	2.3%
China PPI	12:30	11.1%	12.9%
US Inflation	00:30	7.0%	6.8%
US Core Inflation	00:30	5.4%	4.9%

Key BW Names	Close	Prior	% Δ
Family Zone Cyber Security	0.590	0.575	2.6%
Selfwealth	0.300	0.295	1.7%
Dubber Corporation	2.200	2.200	0.0%
Lotus Resources	0.305	0.305	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	81.47	78.40	3.9%
Gold	1,823.0	1,801.3	1.2%
Gold (Aus)	2,527.8	2,510.5	0.7%
Silver	22.80	22.48	1.4%
Uranium (Spot)	45.75	45.75	0.0%
Tin (Futures)	39,826	39,826	0.0%

Currency	Close	Prior	% Δ
DXY Index	95.61	95.97	-0.4%
AUD/USD	0.7212	0.7175	0.5%
AUD/GBP	0.5289	0.5285	0.1%
AUD/EUR	0.6343	0.6335	0.1%
AUD/YEN	83.13	82.67	0.6%
AUD/NZD	1.0628	1.0614	0.1%
AUD/CAD	0.9068	0.9096	-0.3%

Other Markets	Close	Prior	% Δ
VIX Index	18.36	19.35	-5.1%
2-Year Treasury Yield (%)	0.895	0.900	-0.6%
10-Year Treasury Yield (%)	1.747	1.768	-1.2%

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