

14 January 2022

Tech leads losses overnight as Fed speakers send a hawkish message

- Global markets.** US stocks tumbled overnight as a host of Fed speakers took the plate to reiterate the bank's hawkish message, while initial jobless claims unexpectedly rising to 230k, up from 200k last week – also adding to poor sentiment. For the day, all US indices were off 0.5% - 2.5%, led lower once again by Tech as the growth → value rotation continues (Dow was the outperformer). Elsewhere, the Russell 2000 lost 1.1%, while European markets were ~flat as they closed before the US selling really took hold midway through the session.
- Tech stocks sink.** From megacap names, to the higher-beta stocks, tech was hammered overnight with **Amazon** down 2% and **Microsoft** 4%, while **Snap** lost 10%, **Virgin Galactic** lost 19% and the second-tier names like **Roblox**, **Rivian**, **Upstart** and **Affirm** all fell by 7% - 10%; completely undoing any gains achieved in this past week's short-lived rally.
- In other markets,** the **USD** was modestly lower against a basket of currencies, as was the **AUD**, it was a mixed session for **commodities** – although they were mostly lower on balance – with **oil** off 2%, **precious metals** lower and **copper** down ~3%, **tin** managed to buck the trend however, adding >2% and rising through US\$41k/tonne. Elsewhere, **bond yields** were lower on a flight-to-safety, with the 10-year ending the session at 1.70%, off 4bps for the day. Finally, the **VIX Index** gained 15% on account of the day's equity market volatility.
- Futures off 0.5%.** Despite the extreme selling in the US overnight, it appears local stocks will only open 0.5% lower when trading commences this morning, with ASX futures currently off by 38 points.
- In economics news,** today will see the release of local home lending data, several data points out of the UK – including GDP, industrial production and trade figures – while in the US, retail sales, IP and the Michigan consumer sentiment reading are all due early tomorrow morning.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,797.5	7,762.2	0.5%
ASX 200	7,474.4	7,438.9	0.5%
ASX Emerging Companies	2,780.0	2,774.1	0.2%

US Markets

Dow Jones	36,113.6	36,290.3	-0.5%
S&P500	4,659.0	4,726.4	-1.4%
Nasdaq	14,806.8	15,188.4	-2.5%
Russell 2000	2,159.4	2,183.0	-1.1%

Asian & European Markets

Shanghai Composite	3,555.3	3,597.4	-1.2%
Nikkei	28,489.1	28,765.7	-1.0%
Hang Seng	24,429.8	24,402.2	0.1%
FTSE 100	7,563.9	7,551.7	0.2%
DAX 30	16,031.6	16,010.3	0.1%
CAC 40	7,201.1	7,237.2	-0.5%

Economic Releases	Time	F'cast	Prior
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Home Lending	11:30	0.0%	-4.1%
Investment Lending	11:30		1.1%
UK Data Releases	Various		
US Retail Sales	00:30	0.0%	0.3%
US Industrial Production (MoM)	01:15	0.3%	0.5%
Michigan Cons. Sentiment	02:00	70.0	70.6

Key BW Names	Close	Prior	% Δ
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Alderan Resources	0.028	0.026	7.7%
Family Zone Cyber Security	0.625	0.605	3.3%
Lotus Resources	0.300	0.295	1.7%
Elementos	0.600	0.595	0.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	81.52	82.76	-1.5%
Gold	1,822.6	1,827.1	-0.3%
Gold (Aus)	2,503.8	2,506.7	-0.1%
Silver	23.09	23.20	-0.5%
Uranium (Spot)	45.75	45.75	0.0%
Tin (Futures)	41,402	40,449	2.4%

Currency	Close	Prior	% Δ
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DXI Index	94.87	94.94	-0.1%
AUD/USD	0.7279	0.7289	-0.1%
AUD/GBP	0.5309	0.5316	-0.1%
AUD/EUR	0.6354	0.6366	-0.2%
AUD/YEN	83.08	83.47	-0.5%
AUD/NZD	1.0604	1.0636	-0.3%
AUD/CAD	0.9110	0.9112	0.0%

Other Markets	Close	Prior	% Δ
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VIX Index	20.31	17.60	15.4%
2-Year Treasury Yield (%)	0.895	0.911	-1.8%
10-Year Treasury Yield (%)	1.700	1.738	-2.2%

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