

21 January 2022

## Stocks sold-off sharply in late trade, Netflix down ~20% after-hours

- **Global markets.** Despite a strong start to the session, US stocks were again hammered overnight, with all major indices closing in the red – in a range of 0.9% (S&P) to 1.9% (Russell). However, more-important than the headline falls was selling from intraday highs – as the Nasdaq and Russell 2000 each fell 4%, S&P 500 2.5% and Dow Jones ~2% (futures are continuing to sell-off this morning after the US close). Over in Europe – where the session finished while US stocks were still in the green – markets closed ~flat or higher, led by the German DAX which put on 0.6% for the day.
- **Tech stocks lead the market lower...** Amongst the biggest falls overnight were the once-market darling **Pelaton**, which lost 24% after announcing it would be halting production of its connected fitness products as consumer demand wanes, and all the FAANG names, including a 3% fall in **Amazon** and 1% amongst the others, **Nvidia** lost 4%, while **Tesla** managed to eek out a small gain despite having been up by ~5% at one point in the session.
- **...while Netflix fell 25% after-hours.** Adding to the day's already poor sentiment was a disastrous after-hours report from **Netflix**, which fell as much as 25% before moderating to 'just' 18% at the time of writing. The company is now guiding to 2.5m subscribers being added in 1Q22, almost 40% below last year's 3.98m additions.
- **In other markets,** risk-on trades did particularly well on the day's equity market sell-off, including a rise in the **USD** (the **Yen** was stronger still), the **VIX Index** popped 7% and even **bond yields** were lower as **bonds** themselves were bid up in a flight to safety – with the 10-year declining 4bps on the day. Finally, **tin** continued to rise, adding another 1.4% to be quickly approaching \$43k/tonne.
- **Futures lower.** Unsurprisingly, given the poor lead from Wall Street, it appears local stocks will open down when trading commences this morning – with ASX futures currently lower by 66 points, or ~0.8%.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,668.9	7,656.6	0.2%
ASX 200	7,342.4	7,332.5	0.1%
ASX Emerging Companies	2,813.5	2,767.1	1.7%

### US Markets

Dow Jones	34,715.4	35,028.7	-0.9%
S&P500	4,482.7	4,532.8	-1.1%
Nasdaq	14,154.0	14,340.3	-1.3%
Russell 2000	2,024.0	2,062.8	-1.9%

### Asian & European Markets

Shanghai Composite	3,555.1	3,558.2	-0.1%
Nikkei	27,772.9	27,467.2	1.1%
Hang Seng	24,952.4	24,127.9	3.4%
FTSE 100	7,585.0	7,589.7	-0.1%
DAX 30	15,912.3	15,809.7	0.6%
CAC 40	7,194.2	7,173.0	0.3%

Economic Releases	Time	F'cast	Prior
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Japan Core Inflation	10:30		0.6%
ECB President Lagarde Speaks	23:30		

Key BW Names	Close	Prior	% Δ
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LiveHire	0.400	0.360	11.1%
Jervois Mining	0.075	0.072	4.2%
Elementos	0.570	0.550	3.6%
Forbidden Foods	0.195	0.190	2.6%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	86.90	86.65	0.3%
Gold	1,838.5	1,840.7	-0.1%
Gold (Aus)	2,545.3	2,551.9	-0.3%
Silver	24.45	24.16	1.2%
Uranium (Spot)	44.88	45.38	-1.1%
Tin (Futures)	42,896	42,292	1.4%

Currency	Close	Prior	% Δ
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DXY Index	95.80	95.56	0.3%
AUD/USD	0.7223	0.7213	0.1%
AUD/GBP	0.5313	0.5297	0.3%
AUD/EUR	0.6388	0.6357	0.5%
AUD/YEN	82.45	82.43	0.0%
AUD/NZD	1.0694	1.0632	0.6%
AUD/CAD	0.9035	0.9024	0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	25.59	23.85	7.3%
2-Year Treasury Yield (%)	1.031	1.055	-2.3%
10-Year Treasury Yield (%)	1.814	1.854	-2.2%