

17 February 2022

ASX to open flat following volatile US session, busy day of earnings ahead

- **Global markets.** While US markets finished the overnight session ~flat, it was marked by volatility in both directions, with markets initially selling off early in the day on reports that Russia was not retreating from the Ukraine border, before rallying sharply in late trade after FOMC comments were viewed as relatively benign. Over in Europe it was a similar story, with each market closing higher by <0.3%.
- **In economic news,** FOMC Minutes were released early this morning, suggesting the Fed is ready to begin raising interest rates and reduce the size of their balance sheet. However, there were no signs in the minutes themselves that the FOMC would move faster or harder than markets are currently pricing in.
- **In company news,** Nvidia reported Q4 earnings, which exceeded analysts expectations, with EPS +69% YoY and Revenue +53% YoY, on stronger chip demand. Elsewhere, **Telsa** (-1.7%), **Alphabet** (-0.7%), **Meta** (-3.0%) and **Apple** (-1.4%) were all lower, while **Doordash** shares popped 30% in after-hours trading after delivering unexpected revenue growth of 36% YoY.
- **In other markets,** WTI Crude dropped -2.1% closing at \$90.14/barrel, the USD was slightly lower against a basket of currencies, the VIX fell 5%, tin fell -0.8% and precious metals had a stronger session, with Gold +0.8% and Silver +0.7%.
- **Futures ~flat.** The ASX is expected to open ~flat this morning ahead of one of the busiest days for half-yearly results. Already this morning, **Wesfarmers** have cut their dividend following a -13% fall in profits, while **Newcrest Mining** saw profits nearly halve due to lower gold and copper sales volumes. Finally, **Tabcorp** has reduced its interim dividend to 6.5c/sh following a fall in earnings and **Crown** fell deeper into the red with a ~\$200m loss.
- **Today's agenda.** Today's most notable event is the release of local jobs data for January, with jobs flat for the month and the unemployment rate expected to remain at 4.2%.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,490.3	7,573.0	-1.1%
ASX 200	7,206.9	7,284.9	-1.1%
ASX Emerging Companies	2,513.8	2,563.8	-2.0%

US Markets

Dow Jones	34,988.8	34,934.3	0.2%
S&P500	4,471.1	4,475.0	-0.1%
Nasdaq	14,139.8	14,124.1	0.1%
Russell 2000	2,076.5	2,079.3	-0.1%

Asian & European Markets

Shanghai Composite	3,446.1	3,465.8	-0.6%
Nikkei	26,865.2	27,460.4	-2.2%
Hang Seng	24,355.7	24,718.9	-1.5%
FTSE 100	7,608.9	7,603.8	0.1%
DAX 30	15,412.7	15,370.3	0.3%
CAC 40	6,980.0	6,965.0	0.2%

Economic Releases	Time	F'cast	Prior
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Employment Change	11:30	flat	65k
Unemployment Rate	11:30	4.2%	4.2%
US Initial Jobless Claims	0:30	219k	223k
US Continuing Jobless Claims	0:30	1.61m	1.62m
Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
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Hydralyte	0.250	0.230	8.7%
Family Zone Cyber Security	0.470	0.445	5.6%
Lotus Resources	0.255	0.245	4.1%
Elementos	0.640	0.635	0.8%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	90.14	92.1	-2.1%
Gold	1,867.9	1,853.4	0.8%
Gold (Aus)	2,595.4	2,591.8	0.1%
Silver	23.55	23.38	0.7%
Uranium (Spot)	43.25	43.25	0.0%
Tin (Futures)	43,425	43,775	-0.8%

Currency	Close	Prior	% Δ
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DXY Index	95.81	95.99	-0.2%
AUD/USD	0.7197	0.7151	0.6%
AUD/GBP	0.5298	0.5281	0.3%
AUD/EUR	0.6328	0.6296	0.5%
AUD/YEN	83.09	82.69	0.5%
AUD/NZD	1.0771	1.0771	0.0%
AUD/CAD	0.9134	0.9096	0.4%

Other Markets	Close	Prior	% Δ
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VIX Index	24.29	25.70	-5.5%
2-Year Treasury Yield (%)	1.523	1.571	-3.1%
10-Year Treasury Yield (%)	2.038	2.048	-0.5%
US 2-10-Year Spread	0.515	0.477	8.0%

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