

25 February 2022

## Stocks stage huge intraday rally as investors buy-the-dip in tech

- Global markets.** While headline moves across major US indices appear benign on the surface – ie. the Dow up just 0.3%, S&P 500 +1.5% - intraday moves were extreme – from the lows, the Nasdaq bounced 7%, Russell 2000 4%, S&P 500 3% and Dow >2%. The rally came as investors opted to look past Russian aggression and buy-the-dip in heavily beaten-down names, particularly across the tech complex after the Nasdaq fell into bear market territory briefly in early trade (ie. off >20% from its highs).
- Tech rallies sharply.** The day's list of performers was littered with mega cap tech names, including the likes of **Netflix** (+6%), **Nvidia** (+6%), **Meta** (+5%), **Amazon** (+5%), **Tesla** (+5%), **Microsoft** (+5%) and **Alphabet** (+4%), while even the very unloved **ARK Innovation ETF** rose 8% for the session. Elsewhere, **Moderna** finished the day 15% higher after releasing better than expected quarterly results.
- WTI briefly tops \$100/bbl.** While there was volatility in virtually all markets last night, the big news was the move through US\$100/bbl in **WTI crude** (albiet only briefly, with it now trading back at US\$93/bbl), while **Brent crude** rose as high as US\$105/bbl, before also moderating back to US\$99/bbl at the time of writing.
- In other markets,** the **VIX** rocketed in early trade to touch a high of 39 before collapsing over the session to close down 2% at a level of just 30. Elsewhere, yields were modestly lower along the curve (again, following sharp falls early in the day), **commodities** were mixed, with **uranium** up a significant 3%, **gold** and **silver** both down and **tin** was ~flat.
- Futures point higher.** Unsurprisingly, given the lead from Wall Street, it appears local stocks will open sharply higher when trading commences today – with ASX futures currently up by 85 points, or ~1.2% at the time of writing.
- Core PCE due tonight.** In economic news, today's major release will be US core PCE figures – where expectations are for a 5.1% YoY rise – following a 4.9% increase last month.

World Indices	Close	Prior	% Δ
---------------	-------	-------	-----

### Local Markets

All Ordinaries	7,253.1	7,473.9	-3.0%
ASX 200	6,990.6	7,205.7	-3.0%
ASX Emerging Companies	2,399.0	2,501.6	-4.1%

### US Markets

Dow Jones	33,223.8	33,131.8	0.3%
S&P500	4,288.7	4,225.5	1.5%
Nasdaq	13,473.6	13,037.5	3.3%
Russell 2000	1,995.4	1,944.1	2.6%

### Asian & European Markets

Shanghai Composite	3,430.0	3,489.2	-1.7%
Nikkei	25,970.8	26,449.6	-1.8%
Hang Seng	22,901.6	23,660.3	-3.2%
FTSE 100	7,207.4	7,498.2	-3.9%
DAX 30	14,052.1	14,631.4	-4.0%
CAC 40	6,521.1	6,780.7	-3.8%

Economic Releases	Time	F'cast	Prior
-------------------	------	--------	-------

German GDP	18:00	1.4%	2.9%
French Inflation	18:45	3.2%	2.9%
Eurozone Cons. Confidence	21:00	-8.8	-8.5
Eurozone Econ. Sentiment	21:00	113.1	112.7
Eurozone Industrial Sentiment	21:00	14.2	13.9
US Core PCE	0:30	5.1%	4.9%
US PCE	0:30		5.8%
US Durable Goods Orders	0:30	0.8%	-0.9%

Key BW Names	Close	Prior	% Δ
--------------	-------	-------	-----

Little Green Pharma	0.490	0.490	0.0%
Alderaan Resources	0.022	0.022	0.0%
Lotus Resources	0.230	0.235	-2.1%
LiveHire	0.350	0.365	-4.1%

Commodities	Close	Prior	% Δ
-------------	-------	-------	-----

Oil - West Texas Crude	93.18	92.34	0.9%
Gold	1,902.3	1,908.9	-0.3%
Gold (Aus)	2,653.5	2,639.5	0.5%
Silver	24.18	24.56	-1.5%
Uranium (Spot)	44.50	43.25	2.9%
Tin (Futures)	44,425	44,375	0.1%

Currency	Close	Prior	% Δ
----------	-------	-------	-----

DXY Index	97.06	96.21	0.9%
AUD/USD	0.7169	0.7232	-0.9%
AUD/GBP	0.5356	0.5339	0.3%
AUD/EUR	0.6403	0.6396	0.1%
AUD/YEN	82.83	83.16	-0.4%
AUD/NZD	1.0701	1.0677	0.2%
AUD/CAD	0.9185	0.9212	-0.3%

Other Markets	Close	Prior	% Δ
---------------	-------	-------	-----

VIX Index	30.32	31.04	-2.3%
2-Year Treasury Yield (%)	1.571	1.599	-1.8%
10-Year Treasury Yield (%)	1.973	1.993	-1.0%
US 2-10-Year Spread	0.402	0.394	2.0%