

2 February 2022

## US stocks close higher, although Meta drags futures lower after-hours

- Global markets.** It was a solid overnight session in the US (until **Meta** reported after-hours, which we discuss below), with all three major indices finishing higher in a range of 0.5% - 0.9%, led by the S&P 500, with the Nasdaq trailing at +0.5%. Elsewhere, the small cap Russell 2000 notably underperformed, off 1%, while stocks in Europe were slightly higher, led by the FTSE.
- Meta off 22% after-hours.** As mentioned above, US stock futures are tumbling in after-hours trade this morning as **Meta** shares (Facebook parent) dropped 22% on a Q4 earnings miss and very poor guidance. EPS missed (\$3.67 vs \$3.84) and DAU's actually fell QoQ, while the Q1 revenue guidance of \$27m-\$28m came in materially below analyst expectations for closer to \$30m. The company said its results were impacted by a range of factors, including changes to Apple's iOS privacy settings and lower advertising budgets.
- In other markets,** it was a relatively benign session, with the **USD** up 0.3% against a basket of currencies, **commodities** were mixed – with **oil**, **tin** and **spot uranium** all slightly lower and **gold** and **silver** rising modestly. Elsewhere, the **VIX Index** was essentially unchanged and bond yields declined by ~1bp along the curve.
- Futures slightly higher.** Given the solid US lead, it appears local stocks will open slightly higher when trading commences this morning – with ASX futures currently higher by 7 points, or ~0.1% at the time of writing. However, it is notable that futures trading has not yet captured the fall in after-hours US trading due to **Meta** results.
- A busy day for economics.** Today will see the release of Markit services PMIs, balance of trade and buildings permits data locally, while overseas there will be rate decisions from both the ECB and BOE, US jobless claims and an ISM non-manufacturing PMI print in the US.

World Indices	Close	Prior	% Δ
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Local Markets	Close	Prior	% Δ
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All Ordinaries	7,399.6	7,312.8	1.2%
ASX 200	7,087.7	7,006.0	1.2%
ASX Emerging Companies	2,616.5	2,587.9	1.1%

US Markets	Close	Prior	% Δ
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Dow Jones	35,629.3	35,405.2	0.6%
S&P500	4,589.4	4,546.5	0.9%
Nasdaq	14,417.6	14,346.0	0.5%
Russell 2000	2,029.5	2,050.7	-1.0%

Asian & European Markets	Close	Prior	% Δ
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Shanghai Composite	3,361.4	3,361.4	0.0%
Nikkei	27,533.6	27,078.5	1.7%
Hang Seng	23,802.3	23,802.3	0.0%
FTSE 100	7,583.0	7,535.8	0.6%
DAX 30	15,613.8	15,619.4	0.0%
CAC 40	7,115.3	7,099.5	0.2%

Economic Releases	Time	F'cast	Prior
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Markit Services PMI	8:45		55.1
Balance of Trade	11:30		A\$9.4b
Building Permits	11:30	-1.0%	3.6%
BOE Rate Decision	23:00	0.50%	0.25%
ECB Rate Decision	23:45	0.0%	0.0%
ECB Press Conference	0:30		
US Initial Jobless Claims	0:30	245k	260k
US Continuing Jobless Claims	0:30	1.62m	1.68m
US ISM Non-Manufacturing PMI	6:30	59.5	62.0

Key BW Names	Close	Prior	% Δ
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BetMakers Tech. Group	0.735	0.640	14.8%
Lotus Resources	0.260	0.240	8.3%
Webcentral	0.370	0.360	2.8%
LiveHire	0.390	0.380	2.6%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	87.94	88.20	-0.3%
Gold	1,807.1	1,801.1	0.3%
Gold (Aus)	2,532.0	2,526.4	0.2%
Silver	22.65	22.66	0.0%
Uranium (Spot)	43.00	43.10	-0.2%
Tin (Futures)	42,763	43,023	-0.6%

Currency	Close	Prior	% Δ
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DXY Index	95.99	96.26	-0.3%
AUD/USD	0.7137	0.7129	0.1%
AUD/GBP	0.5258	0.5271	-0.2%
AUD/EUR	0.6313	0.6324	-0.2%
AUD/YEN	81.67	81.77	-0.1%
AUD/NZD	1.0761	1.0747	0.1%
AUD/CAD	0.9042	0.9042	0.0%

Other Markets	Close	Prior	% Δ
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VIX Index	22.09	21.96	0.6%
2-Year Treasury Yield (%)	1.154	1.165	-0.9%
10-Year Treasury Yield (%)	1.779	1.794	-0.8%
US 2-10-Year Spread	0.625	0.629	-0.6%