

12 April 2022

Tech sold-off sharply again in the US (-2.2%), US inflation due tonight

- Global markets.** It was more of the same in markets overnight, with most indices in the US and Europe ending lower, as yields kept rising and investors took a cautious approach ahead of tonight's US inflation print. For the session, tech was the worst performer, with the Nasdaq -2.2%, while the S&P 500 and Dow were also weak – down 1.7% and 1.2% a piece. In Europe, the French CAC managed to eek out a 0.1% gain following its first-round elections, while all other indices were lower.
- Tech weak, Twitter up.** In company news, there was widespread selling across the technology complex, with names such as **Nvidia** (-5%), **Meta** (-3%), **Apple** (-3%) and **Alphabet** (-3%) particularly weak, while **Amazon** (-2%) and **Netflix** (-2%) also edged lower. The one standout was **Twitter**, which actually rose 2% (after having traded down earlier in the session) on news that Elon Musk would not be taking a board seat – raising speculation that he would look to buy a larger share in the company.
- Yields keep rising.** In fixed income news, the long end of the curve underperformed again last night, with 10-year yields +6bps, while the 2-year fell 2bps. These moves saw the closely-watched yield curve steepen by another 8bps to be back at +27bps and a long way off its recent inversion-lows.
- In other markets,** the **USD** continued its march higher against a basket of major currencies – with the **DXY** finishing the session just below 100. Elsewhere, **oil** was weak – down \$3/bbl to US\$95/bbl – **gold** and **silver** were both modestly higher and **uranium** and **tin** were unchanged. And finally, the **VIX Index** rose 15% on account of the day's spike in volatility.
- Futures point higher, US CPI tonight.** Following the poor lead from Wall Street, it appears local stocks will open lower when trading commences today – with ASX futures currently off by 22 points, or -0.3%. In economic news, today's major event will be the release of **US inflation** data tonight, where headline inflation is expected to rise to 8.4% (from 7.9% last month). Core if forecast to rise to 6.6% (from 6.4%).

World Indices	Close	Prior	% Δ
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Local Markets			
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All Ordinaries	7,773.2	7,772.0	0.0%
ASX 200	7,485.2	7,478.0	0.1%
ASX Emerging Companies	2,715.7	2,730.8	-0.6%

US Markets			
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Dow Jones	34,308.1	34,721.1	-1.2%
S&P500	4,412.5	4,488.3	-1.7%
Nasdaq	13,412.0	13,711.0	-2.2%
Russell 2000	1,980.3	1,994.6	-0.7%

Asian & European Markets			
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Shanghai Composite	3,167.1	3,251.9	-2.6%
Nikkei	26,821.5	26,985.8	-0.6%
Hang Seng	21,208.3	21,872.0	-3.0%
FTSE 100	7,618.3	7,669.6	-0.7%
DAX 30	14,192.8	14,283.7	-0.6%
CAC 40	6,555.8	6,548.2	0.1%

Economic Releases	Time	F'cast	Prior
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German Inflation	16:00	7.3%	5.1%
UK Unemployment Rate	16:00	3.8%	3.9%
Eurozone Econ. Sentiment	19:00	-48.0	-39.3
US Inflation	22:30	8.4%	7.9%
US Core Inflation	22:30	6.6%	6.4%
Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
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ImExHS	0.900	0.870	3.4%
Elementos	0.905	0.890	1.7%
Family Zone Cyber Security	0.460	0.460	0.0%
Hydralyte	0.270	0.270	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	95.25	98.26	-3.1%
Gold	1,952.3	1,947.3	0.3%
Gold (Aus)	2,630.4	2,609.6	0.8%
Silver	25.05	24.78	1.1%
Uranium (Spot)	63.50	63.50	0.0%
Tin (Futures)	43,813	43,813	0.0%

Currency	Close	Prior	% Δ
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DXY Index	99.98	99.84	0.1%
AUD/USD	0.7422	0.7462	-0.5%
AUD/GBP	0.5696	0.5726	-0.5%
AUD/EUR	0.6818	0.6841	-0.3%
AUD/YEN	93.08	92.76	0.3%
AUD/NZD	1.0868	1.0892	-0.2%
AUD/CAD	0.9376	0.9382	-0.1%

Other Markets	Close	Prior	Δ
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VIX Index	24.37	21.16	15.2%
2-Year Treasury Yield (%)	2.500	2.524	-2 bp
10-Year Treasury Yield (%)	2.774	2.715	6 bp
US 2-10-Year Spread	0.274	0.191	8 bp

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