

13 May 2022

Stocks end a volatile session ~flat overnight, yields keep moving lower

- Global markets.** Despite all major US indices closing ~flat overnight, it was another volatile session under the surface – with the S&P 500 and Nasdaq each down as much as 2% mid-way through the session, before a late-day bounce saw everything close essentially flat (the Russell 200 actually added 1.2%). Over in Europe, where markets closed before the late-day strength, all indices finished in the red – led by the FTSE which lost 1.6% on account of a strong pound.
- Beaten-down tech outperforms.** While the Nasdaq was ~flat on the day, there was a noticeable dichotomy in performance between mega cap tech names (which until recently have been notable outperformers) and the beaten-down, higher-growth names – which rallied sharply. Examples of this theme included **Apple** (-3%), **Alphabet** (-1%) and **Microsoft** (-2%) to the downside and **Shopify** (+11%), **Upstart** (17%), **Peloton** (+10%), **Coinbase** (+9%), **Carvana** (25%), **ARK's Innovation ETF** (+6%) and **Coinbase** (+9%) to the upside.
- Yield curve flattens.** In fixed income markets, yields continued to come off overnight, with the 10-year now back comfortably below 3%, closing at 2.85%, while the 2-year was only modestly higher at 2.64% (+2bps). These moves saw the yield curve flatten 8bp over the day to be back at ~21bps currently.
- In other markets, the USD** continued its relentless rise against other currencies (ex-**Yen**), with the DXY adding another 1% for the day to close just under a level of 105 – for reference, this is up from 96 at the start of the year and ~90 just a year ago. Elsewhere, **commodities** came under renewed pressure, with **gold, silver** and **uranium** all off ~2-3%, **copper** and **tin** were also notably weak, while **oil** managed to buck the trend and rise ~1% for the day. Finally, the **VIX Index** fell 2% despite the day's equity market volatility.
- Futures ~flat.** Given the soft lead from Wall Street, it appears local stocks will open ~unchanged when trading commences this morning, with ASX futures currently down just 5 points at the time of writing.

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

Local Markets

| | | | |
|------------------------|---------|---------|-------|
| All Ordinaries | 7,166.6 | 7,304.4 | -1.9% |
| ASX 200 | 6,941.0 | 7,064.7 | -1.8% |
| ASX Emerging Companies | 2,265.1 | 2,327.2 | -2.7% |

US Markets

| | | | |
|--------------|----------|----------|-------|
| Dow Jones | 31,730.3 | 31,834.1 | -0.3% |
| S&P500 | 3,930.1 | 3,935.2 | -0.1% |
| Nasdaq | 11,371.0 | 11,364.2 | 0.1% |
| Russell 2000 | 1,739.4 | 1,718.1 | 1.2% |

Asian & European Markets

| | | | |
|--------------------|----------|----------|-------|
| Shanghai Composite | 3,055.0 | 3,058.7 | -0.1% |
| Nikkei | 25,748.7 | 26,213.6 | -1.8% |
| Hang Seng | 19,380.3 | 19,824.6 | -2.2% |
| FTSE 100 | 7,233.3 | 7,347.7 | -1.6% |
| DAX 30 | 13,739.6 | 13,828.6 | -0.6% |
| CAC 40 | 6,206.3 | 6,269.7 | -1.0% |

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

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|--------------------------|------|------|------|
| Michigan Cons. Sentiment | 0:00 | 64.0 | 65.2 |
| Fed's Kashkari Speaks | 1:00 | | |

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

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|----------------------------|-------|-------|-------|
| Forbidden Foods | 0.115 | 0.105 | 9.5% |
| Frontier Energy | 0.250 | 0.250 | 0.0% |
| Selfwealth | 0.210 | 0.210 | 0.0% |
| Family Zone Cyber Security | 0.310 | 0.320 | -3.1% |

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

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|------------------------|---------|---------|-------|
| Oil - West Texas Crude | 106.83 | 106.13 | 0.7% |
| Gold | 1,817.4 | 1,853.8 | -2.0% |
| Gold (Aus) | 2,682.3 | 2,672.0 | 0.4% |
| Silver | 20.68 | 21.53 | -3.9% |
| Uranium (Spot) | 50.50 | 52.00 | -2.9% |
| Tin (Futures) | 35,600 | 35,772 | -0.5% |

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

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|-----------|--------|--------|-------|
| DXY Index | 104.75 | 103.85 | 0.9% |
| AUD/USD | 0.6857 | 0.6938 | -1.2% |
| AUD/GBP | 0.5621 | 0.5664 | -0.8% |
| AUD/EUR | 0.6606 | 0.6598 | 0.1% |
| AUD/YEN | 88.13 | 90.12 | -2.2% |
| AUD/NZD | 1.1003 | 1.1033 | -0.3% |
| AUD/CAD | 0.8946 | 0.9018 | -0.8% |

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

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|----------------------------|-------|-------|-------|
| VIX Index | 31.77 | 32.56 | -2.4% |
| 2-Year Treasury Yield (%) | 2.643 | 2.622 | 2 bp |
| 10-Year Treasury Yield (%) | 2.852 | 2.910 | -6 bp |
| US 2-10-Year Spread | 0.209 | 0.288 | -8 bp |