

20 April 2022

US stocks rally sharply overnight, despite another tick-up in rates

- Global markets.** It was a strong session for US equities overnight, as all the major indices gained >1.5% each. It was the Nasdaq and Russell 2000 which lead the way, adding +2.2% and +2.0% respectively, whilst the S&P500 (+1.6%) and the Dow Jones (+1.5%) were also strong. The moves saw the S&P and Russell 2000 back above their 50DMA and the Dow above its 100DMA. In Europe, markets slipped, most notably the CAC40 -0.8%, whilst Asian markets had a mixed performance.
- Bullard Hawkish again.** Overnight, St. Louis Fed President James Bullard told the Council on Foreign Relations that he believed the Fed ought to rapidly increase interest rates to ~3.5% by year-end, and highlighted that 75bps rate hikes are not out of the picture in this rate hiking cycle.
- Yields spike.** Following the comments from Bullard, yields soared along the curve, but particularly in the short-end – with the 2-Year adding 15bps and the 10-Year added 9bps, flattening the 2-10-Year yield curve.
- Netflix down 25% after-hours.** Netflix released its quarterly earnings after-hours this morning, with the company reporting its first customer decline in more than a decade. This sent shares in the streaming services down over 25%. Despite this, tech was broadly stronger over the day including strong gains from **Amazon** (+3.5%), **Tesla** (+2.4%), **Microsoft** (+1.7%) and **Apple** (+1.4%).
- Yen down another ~2%.** The Yen has continued its declines, as the BoJ continues to prioritise its bond markets over FX markets. For the session, the Yen fell 1.6% against the USD and by 2.0% against the AUD.
- Futures point higher.** As of writing, ASX futures are up +0.6%, mirroring the strong performance of the US indices. In economic news, today will see the release of Westpac's leading index, Canadian inflation figures, the Fed's beige book and comments from FOMC members Daly and Evans.

World Indices	Close	Prior	% Δ
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Local Markets			
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ASX 200	7,565.2	7,523.4	0.6%
All Ordinaries	7,867.9	7,822.2	0.6%
ASX Emerging Companies	2,780.7	2,758.3	0.8%

US Markets			
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Dow Jones	34,911.2	34,411.7	1.5%
S&P500	4,462.2	4,391.7	1.6%
Nasdaq	13,619.7	13,332.4	2.2%
Russell 2000	2,030.8	1,990.1	2.0%

Asian & European Markets			
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Shanghai Composite	3,194.0	3,195.5	0.0%
Nikkei	26,985.1	26,799.7	0.7%
Hang Seng	21,027.8	21,518.1	-2.3%
FTSE 100	7,601.3	7,616.4	-0.2%
DAX 30	14,153.5	14,163.9	-0.1%
CAC 40	6,534.8	6,589.4	-0.8%

Economic Releases	Time	F'cast	Prior
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Westpac Leading Index	10:30		-0.2%
Canadian Inflation	22:30	4.2%	4.8%
Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
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BetMakers Tech. Group	0.645	0.595	8.4%
Forbidden Foods	0.150	0.140	7.1%
Family Zone Cyber Security	0.470	0.455	3.3%
Selfwealth	0.215	0.210	2.4%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	102.56	108.21	-5.2%
Gold	1,949.5	1,978.5	-1.5%
Gold (Aus)	2,641.7	2,690.7	-1.8%
Silver	25.17	25.87	-2.7%
Uranium (Spot)	63.25	63.75	-0.8%
Tin (Futures)	43,175	43,175	0.0%

Currency	Close	Prior	% Δ
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DXY Index	100.97	100.80	0.2%
AUD/USD	0.7380	0.7353	0.4%
AUD/GBP	0.5677	0.5651	0.5%
AUD/EUR	0.6840	0.6820	0.3%
AUD/YEN	95.26	93.38	2.0%
AUD/NZD	1.0957	1.0925	0.3%
AUD/CAD	0.9313	0.9272	0.4%

Other Markets	Close	Prior	% Δ
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VIX Index	21.37	22.17	-3.6%
2-Year Treasury Yield (%)	2.598	2.446	15bps
10-Year Treasury Yield (%)	2.950	2.862	9bps
US 2-10-Year Spread	0.352	0.416	-6bps

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