

25 May 2022

Tech down again overnight on SNAP guidance, ASX futures up 0.1%

- Global markets.** Yesterday saw most global indices move downwards, with the Nasdaq (-2.3%), Russell 2000 (-1.6%) and S&P 500 (-0.8%) all closing in the red, whilst the Dow Jones held steady, adding +0.2%. Other continents also saw sizeable losses, such as the Shanghai Composite (-2.4%), Hang Seng (-1.7%) and DAX (-1.8%).
- SNAP leads tech lower.** The overnight sell-off was lead by two catalysts, being: a guidance downgrade from social media giant, **Snapchat**, which sent the entire ad-supported tech sector into chaos. Over the day, the company lost >40%, while **Meta** (-9%) and **Alphabet** (-6%) were lower in sympathy. Elsewhere, US macro data underwhelmed, with new home sales falling over the month (-17%), while global PMIs were also weak – particularly in the UK, where services PMIs came in at 51.8 against expectations for 57.
- Bonds bid.** On the aforementioned news, investors fled to the safety of bonds, with yields sharply lower along the curve; including the 2-Year losing 11bps and the 10-year 10bps. Even 30-year yields fell below the key 3% level; joining the rest of the curve.
- In other markets,** it was a solid night for most major **commodities** with all bar **uranium** (-0.3%) finishing in the green. **WTI Crude** ticked back above \$110/bbl as it added 0.6%, while **Tin** gained 0.5%. Elsewhere, **Gold** was also strong (+0.7%) on a weaker dollar and general rush to safety – the **USD** itself was down by 0.3% against a basket of major currencies and has now fallen in 6 of the past 8 session.
- Futures point higher.** Despite the lacklustre lead from Wall Street, ASX Futures are pointing slightly up – by 0.1% or 8 points as of writing. Today is also a busy day for economic news, with lots of central bank action, including a speech from RBA's Ellis, an RBNZ Rate decision (50bps expected), and a speech from Fed member Brainard. Other releases include the US Durable Goods Orders and Germany's Consumer Confidence index.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,373.2	7,398.9	-0.3%
ASX 200	7,128.8	7,148.9	-0.3%
ASX Emerging Companies	2,344.4	2,360.3	-0.7%

US Markets

Dow Jones	31,928.6	31,880.2	0.2%
S&P500	3,941.5	3,973.8	-0.8%
Nasdaq	11,264.5	11,535.3	-2.3%
Russell 2000	1,764.8	1,792.8	-1.6%

Asian & European Markets

Shanghai Composite	3,070.9	3,146.9	-2.4%
Nikkei	26,748.1	27,001.5	-0.9%
Hang Seng	20,112.1	20,470.1	-1.7%
FTSE 100	7,484.4	7,513.4	-0.4%
DAX 30	13,919.8	14,175.4	-1.8%
CAC 40	6,253.1	6,358.7	-1.7%

Economic Releases	Time	F'cast	Prior
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RBA's Ellis Speaks	9:45		
RBNZ Rate Decision	12:00	2.0%	1.5%
Germany Cons. Confidence	16:00	6.2%	5.7%
US Durable Goods Orders	22:30	0.6%	1.1%
Fed's Brainard Speaks	2:15		
FOMC Minutes	4:00		

Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.120	0.115	4.3%
Elementos	0.680	0.660	3.0%
Selfwealth	0.185	0.185	0.0%
Aldran Resources	0.018	0.018	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	110.44	109.73	0.6%
Gold	1,866.4	1,853.6	0.7%
Gold (Aus)	2,622.4	2,614.4	0.3%
Silver	22.11	21.75	1.7%
Uranium (Spot)	46.13	46.25	-0.3%
Tin (Futures)	34,475	34,300	0.5%

Currency	Close	Prior	% Δ
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DXY Index	101.77	102.09	-0.3%
AUD/USD	0.7117	0.7090	0.4%
AUD/GBP	0.5673	0.5639	0.6%
AUD/EUR	0.6630	0.6637	-0.1%
AUD/YEN	90.28	90.59	-0.3%
AUD/NZD	1.1011	1.0994	0.2%
AUD/CAD	0.9121	0.9066	0.6%

Other Markets	Close	Prior	% Δ
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VIX Index	29.45	28.48	3.4%
2-Year Treasury Yield (%)	2.500	2.608	-11 bp
10-Year Treasury Yield (%)	2.754	2.854	-10 bp
US 2-10-Year Spread	0.254	0.246	1 bp