

19 July 2022

## Tech stocks fall overnight as Apple plans to slow hiring/spending

- Apple spoils overnight gains.** The big story from the US overnight was Apple's announcement that it would look to cool its hiring and spending as it prepares for upcoming economic uncertainty. This followed similar warnings from the likes of Goldman Sachs over the day.
- Global markets.** The abovementioned news broke mid-session and saw all major US indices move from >1% gains to ~1% declines, with the Nasdaq and S&P500 worst of the major's – each falling 0.8% - while the Dow and Russell lost 0.7% and 0.3% respectively. In other continents, Asian and European equities both had strong performances, with all indices adding value (noting they were all closed at the time of the Apple announcement).
- Earnings and economic news.** In reporting news, **Goldman Sachs** and **Bank of America** each reported – rising by 2% and ending flat, respectively – while after-hours IBM has also reported its quarterly earnings and is currently off 4% on the news (and back at 1999 levels). In economic news, a big red flag was waved in the NAHB July Housing Market index – a key indicator of future economic performance, as it dropped 12 points – the largest single drop in history (ex-Covid lockdowns).
- In other markets, WTI crude (+4.5%)** re-crossed \$100/bbl, closing at \$101.88/bbl, after the Saudi's failed to increase output. **Gold** remained ~unchanged despite a surge over the Asian session and **Uranium** gained 0.5%. In the currency markets, the **DXY** slipped -0.5%, although remained above 107, the **AUD/USD** rose 0.2%. In the fixed income, the US 2-Year yield added 4bps and the 10-Year added 7bps, closing marginally below 3%. The spread between the two remains deeply negative at -17bps.
- Futures point lower.** Following the weak performance in the US, ASX Futures are pointing lower and are off ~0.4% as of writing. Today, numerous economic data releases are due, such as RBA Minutes, employment data from the UK, Eurozone core inflation data and a speech from the Fed's Brainard early tomorrow morning.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	6,888.0	6,798.0	1.3%
ASX 200	6,687.1	6,605.6	1.2%
ASX Emerging Companies	2,051.7	2,020.7	1.5%

### US Markets

Dow Jones	31,072.6	31,288.3	-0.7%
S&P500	3,830.9	3,863.2	-0.8%
Nasdaq	11,360.1	11,452.4	-0.8%
Russell 2000	1,738.4	1,744.4	-0.3%

### Asian & European Markets

Shanghai Composite	3,278.1	3,228.1	1.6%
Nikkei	26,788.5	26,788.5	0.0%
Hang Seng	20,846.2	20,297.7	2.7%
FTSE 100	7,223.2	7,159.0	0.9%
DAX 30	12,959.8	12,864.7	0.7%
CAC 40	6,091.9	6,036.0	0.9%

Economic Releases	Time	F'cast	Prior
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RBA Meeting Minutes	11:30		
UK Employment Change	16:00	170k	177k
UK Unemployment Rate	16:00	3.9%	3.8%
Eurozone Core Inflation	19:00	3.7%	3.8%
Eurozone Inflation	19:00	8.6%	8.1%
BOE's Bailey Speaks	1:00		
Fed's Brainard Speaks	4:35		

Key BW Names	Close	Prior	% Δ
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Frontier Energy	0.200	0.185	8.1%
Dubber Corporation	0.830	0.785	5.7%
Jervois Mining	0.510	0.485	5.2%
Lotus Resources	0.210	0.205	2.4%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	101.88	97.45	4.5%
Gold	1,709.8	1,708.4	0.1%
Gold (Aus)	2,510.3	2,512.4	-0.1%
Silver	18.73	18.71	0.1%
Uranium (Spot)	46.00	45.75	0.5%
Tin (Futures)	23,325	23,325	0.0%

Currency	Close	Prior	% Δ
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DXY Index	107.41	107.99	-0.5%
AUD/USD	0.6811	0.6800	0.2%
AUD/GBP	0.5699	0.5728	-0.5%
AUD/EUR	0.6713	0.6744	-0.5%
AUD/YEN	94.08	94.15	-0.1%
AUD/NZD	1.1065	1.1026	0.4%
AUD/CAD	0.8840	0.8852	-0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	25.30	24.23	4.4%
2-Year Treasury Yield (%)	3.166	3.128	4 bp
10-Year Treasury Yield (%)	2.987	2.919	7 bp
US 2-10-Year Spread	-0.179	-0.209	3 bp