

19 July 2022

## ASX to open marginally lower, despite a strong lead from Wall Street

- Global markets.** US indices had another strong night, as the week-long rally in stocks continued. It was the tech-heavy Nasdaq and the small cap Russell 2000 that lead the charge, both adding +1.6%, whilst the S&P500 and Dow Jones had more modest results. Elsewhere, Asian stocks also traded in the green, with the standout performer being the Nikkei (+2.7%), whilst European indices lost ground.
- In other markets.** **WTI Crude** finished slightly lower despite a strong intraday rally, and **Uranium** was ~flat, remaining at ~\$47/lb. The **gold** bear market continued as it dropped below US\$1700/ounce, its lowest in almost a year. In the currency market, the **DX** rebounded back above 107 and the **AUD/USD** lost -0.3%, trading at ~0.6876. In the fixed income market, the 2-year treasury added 2bps overnight, and the 10-year lost 1bp, while the curve remains heavily inverted at ~20 bps currently.
- In earnings news,** **Tesla** reported after market this morning – with its earnings exceeding expectations. Despite producing fewer vehicles than the previous quarter, both revenues and earnings beat expectations. As an aside, **Bitcoin** slid in after hours trading, ending its 8 day streak, having added ~30% during the streak, as Tesla announced that it has sold 75% of its Bitcoin.
- Futures point lower.** As of writing, ASX futures are down ~0.5% or ~30 points, despite the strong lead from Wall Street. In economic news, today will see some key releases, particularly from central banks including: the BoJ's latest interest rate decision, the ECB interest rate decision, each followed by press conferences. Then finally, US jobless claims will also be out overnight – giving a timely read on the US employment market.
- In local earnings,** **Santos** has released its results this morning – which were impressive – with free cash flow nearly tripling. While elsewhere, peer **Woodside** also saw a +44% revenue increase over the June quarter.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	6,975.2	6,853.0	1.8%
ASX 200	6,759.2	6,649.6	1.6%
ASX Emerging Companies	2,109.8	2,065.9	2.1%

### US Markets

Dow Jones	31,874.8	31,827.1	0.2%
S&P500	3,959.9	3,936.7	0.6%
Nasdaq	11,897.7	11,713.2	1.6%
Russell 2000	1,828.0	1,799.3	1.6%

### Asian & European Markets

Shanghai Composite	3,304.7	3,279.4	0.8%
Nikkei	27,680.3	26,961.7	2.7%
Hang Seng	20,890.2	20,661.1	1.1%
FTSE 100	7,264.3	7,296.3	-0.4%
DAX 30	13,282.0	13,308.4	-0.2%
CAC 40	6,184.7	6,201.2	-0.3%

Economic Releases	Time	F'cast	Prior
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BOJ Rate Decision	13:00		
ECB Rate Decision	22:15	-0.1%	-0.1%
US Initial Jobless Claims	22:30	240k	244k
US Continuing Jobless Claims	22:30	1.34m	1.33m
ECB Press Conference	22:45		
ECB President Lagarde Speaks	0:15		

Key BW Names	Close	Prior	% Δ
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Lotus Resources	0.235	0.210	11.9%
Selfwealth	0.190	0.180	5.6%
Elementos	0.465	0.455	2.2%
Frontier Energy	0.235	0.230	2.2%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	102.26	104.22	-1.9%
Gold	1,695.3	1,710.6	-0.9%
Gold (Aus)	2,463.4	2,477.0	-0.5%
Silver	18.70	18.78	-0.4%
Uranium (Spot)	46.00	46.00	0.0%
Tin (Futures)	24,550	24,810	-1.0%

Currency	Close	Prior	% Δ
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DX Index	107.04	106.68	0.3%
AUD/USD	0.6882	0.6906	-0.3%
AUD/GBP	0.5748	0.5753	-0.1%
AUD/EUR	0.6759	0.6748	0.2%
AUD/YEN	95.18	95.43	-0.3%
AUD/NZD	1.1053	1.1071	-0.2%
AUD/CAD	0.8871	0.8889	-0.2%

Other Markets	Close	Prior	% Δ
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VIX Index	23.88	24.50	-2.5%
2-Year Treasury Yield (%)	3.234	3.246	-1 bp
10-Year Treasury Yield (%)	3.031	3.025	1 bp
US 2-10-Year Spread	-0.203	-0.221	2 bp

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