

27 July 2022

MSFT/GOOGL up ~4% after-hours, local inflation/Fed decision due today

- Global markets.** It was a weak session across the board overnight, as all US indices traded in the red in anticipation of earnings being released after-hours and ahead of the all-important Fed decision tonight. The Nasdaq fell most, slipping -1.9%, followed by the S&P 500 (-1.2%) and the Dow and Russell (both -0.7%). European markets also had a poor day, whilst Asian markets delivered mixed performance.
- Earnings news.** Several key companies released their earnings overnight, including **Coca-Cola**, **Mcdonalds**, **Visa**, **Microsoft** and **Alphabet** – noting **Microsoft** and **Alphabet** were both after-hours reporters and are currently trading ~4% higher in the post-market. Elsewhere, **Walmart** gave the market updated guidance – causing the stock to slip ~7% and weighing on other retail names.
- In other markets, WTI** continued its downward trend, losing another -0.7% overnight. **Gold** and **silver** moved in opposite directions, being -0.1% and +1.3% respectively. **Uranium** and **tin** were both up. In the currency market, the **USD** appreciated against a basket of currencies, as the **DXY** returned above 107 – driven largely by a weak Euro.
- Yield curve inverts futher.** In fixed income news, **Treasury** yields were mixed, with the short end underperforming. The 2-Year added 2bps and the 10-Year remained ~flat. As a result, the 2-10-Year spread flattened further, hitting its most inverted since August 2000
- Futures lower, big day of economics.** Following the weak US performance, ASX futures are down ~-0.4% as of writing. However, much of today's move will be decided over the session with all eyes on the local inflation rate (which is out at 11:30am). Current expectations are for the YoY rate to be ~6.2%. Finally, the Fed will hand down its latest rate decision early tomorrow morning, while US Durable Goods Order and the German Consumer Confidence Index will also be released.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,025.2	7,006.4	0.3%
ASX 200	6,807.3	6,789.9	0.3%
ASX Emerging Companies	2,154.9	2,137.3	0.8%

US Markets

Dow Jones	31,761.5	31,990.0	-0.7%
S&P500	3,921.1	3,966.8	-1.2%
Nasdaq	11,562.6	11,782.7	-1.9%
Russell 2000	1,805.3	1,817.8	-0.7%

Asian & European Markets

Shanghai Composite	3,277.4	3,250.4	0.8%
Nikkei	27,655.2	27,699.3	-0.2%
Hang Seng	20,905.9	20,562.9	1.7%
FTSE 100	7,306.3	7,306.3	0.0%
DAX 30	13,096.9	13,210.3	-0.9%
CAC 40	6,211.5	6,237.6	-0.4%

Economic Releases	Time	F'cast	Prior
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Inflation Rate (YoY)	11:30	6.2%	5.1%
Inflation Rate (QoQ)	11:30	1.9%	2.1%
German Cons. Confidence	16:00	-28.9	-27.4
US Durable Goods Orders	22:30	-0.5%	0.7%
Fed Rate Decision	4:00		
Fed Press Conference	4:30		

Key BW Names	Close	Prior	% Δ
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Family Zone Cyber Security	0.355	0.340	4.4%
Lotus Resources	0.225	0.225	0.0%
Frontier Energy	0.245	0.245	0.0%
Alderan Resources	0.012	0.012	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	95.59	96.24	-0.7%
Gold	1,718.0	1,719.0	-0.1%
Gold (Aus)	2,473.4	2,472.0	0.1%
Silver	18.66	18.42	1.3%
Uranium (Spot)	47.00	46.75	0.5%
Tin (Futures)	24,650	24,125	2.2%

Currency	Close	Prior	% Δ
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DXY Index	107.20	106.48	0.7%
AUD/USD	0.6946	0.6954	-0.1%
AUD/GBP	0.5769	0.5770	0.0%
AUD/EUR	0.6857	0.6803	0.8%
AUD/YEN	95.05	94.99	0.1%
AUD/NZD	1.1135	1.1108	0.2%
AUD/CAD	0.8943	0.8935	0.1%

Other Markets	Close	Prior	% Δ
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VIX Index	24.69	23.36	5.7%
2-Year Treasury Yield (%)	3.053	3.033	2 bp
10-Year Treasury Yield (%)	2.806	2.804	0 bp
US 2-10-Year Spread	-0.247	-0.229	-2 bp

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