

16 September 2022

## Markets lower overnight as yields continue to rise, FedEx off 16% A/Hs

- Global markets.** It was another poor session for stocks overnight, with all major indices closing lower in a range of 0.6% (Dow) to 1.4% (Nasdaq) and all closing near their lows of the day. The session's weakness was driven by rising interest rate expectations (yields up along the curve) and recession fears (Atlanta Fed's GDPNow estimate was once again slashed for Q3, this time to 0.5% from 1.3% previously).
- FedEx withdraws guidance.** Adding to the day's woes, was a surprise after-hours release from US delivery service FedEx, in which the company removed its FY23 earnings guidance as a result of early Q1 performance. The company called out the final weeks of the quarter specifically as being "impacted by macroeconomic weakness in Asia and service callenges in Europe". Shares in the company were off 16% after hours on the news.
- Yields continue to rise.** In fixed income news, yields were higher along the curve, particularly at the short-end, with the 2-year Treasury yield up 9bps to 3.88% (a new high of the cycle), while the 10-year was also higher by 5bps. In an ominous sign for the US economy, the yield curve remains heavily inverted, to the tune of ~42bps.
- In other markets,** the **USD** was ~flat against a basket of currencies, and yet **commodities** were hammered – with **oil** off 5%, **tin** 3%, **silver** 3%, **gold** 2% and **spot uranium** (and ETFs) all lower. Elsewhere, the **VIX Index** was ~flat.
- Futures point lower.** Unsurprisingly, it appears local stocks will open lower when trading begins this morning – with ASX futures currently off by 50 points, or ~0.8% at the time of writing.
- In economic news,** today will see a host of data released out of China, including FDI, industrial production, retail sales and house prices. Over in Europe, inflation figures are due, as is Michigan's consumer sentiment reading tomorrow morning.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,082.5	7,071.8	0.2%
ASX 200	6,842.9	6,828.6	0.2%
ASX Emerging Companies	2,249.9	2,256.3	-0.3%

### US Markets

Dow Jones	30,961.8	31,135.1	-0.6%
S&P500	3,901.4	3,946.0	-1.1%
Nasdaq	11,552.4	11,719.7	-1.4%
Russell 2000	1,825.2	1,838.5	-0.7%

### Asian & European Markets

Shanghai Composite	3,199.9	3,237.5	-1.2%
Nikkei	27,875.9	27,818.6	0.2%
Hang Seng	18,930.4	18,847.1	0.4%
FTSE 100	7,282.1	7,277.3	0.1%
DAX 30	12,956.7	13,028.0	-0.5%
CAC 40	6,157.8	6,222.4	-1.0%

Economic Releases	Time	F'cast	Prior
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China Data	Various		
Eurozone Inflation	19:00	9.1%	8.9%
Eurozone Core Inflation	19:00	4.3%	4.0%
Michigan Cons. Sentiment	0:00	60.0	58.2

Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.096	0.090	6.7%
Family Zone Cyber Security	0.320	0.310	3.2%
Dubber Corporation	0.660	0.655	0.8%
Jervois Mining	0.545	0.545	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	84.62	89.11	-5.0%
Gold	1,663.0	1,697.4	-2.0%
Gold (Aus)	2,483.9	2,513.1	-1.2%
Silver	19.05	19.64	-3.0%
Uranium (Spot)	49.75	50.50	-1.5%
Tin (Futures)	21,345	21,995	-3.0%

Currency	Close	Prior	% Δ
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DXY Index	109.75	109.62	0.1%
AUD/USD	0.6695	0.6754	-0.9%
AUD/GBP	0.5840	0.5851	-0.2%
AUD/EUR	0.6698	0.6767	-1.0%
AUD/YEN	96.00	96.64	-0.7%
AUD/NZD	1.1229	1.1221	0.1%
AUD/CAD	0.8866	0.8889	-0.3%

Other Markets	Close	Prior	% Δ
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VIX Index	26.27	26.16	0.4%
2-Year Treasury Yield (%)	3.877	3.784	9 bp
10-Year Treasury Yield (%)	3.455	3.408	5 bp
US 2-10-Year Spread	-0.422	-0.376	-5 bp

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