BW

EQUITIES RESEARCH

19 October 2022

US stocks higher for 2nd consecutive session, NFLX +14% after-hours

- **Global markets.** It was another positive session for global equities overnight, with all US indicies finishing in the green. Despite hitting their highs at the open, all indices gained between 0.9%-1.2%, with the small cap Russell 2000 leading the charge. Elsewhere, European and Asian indices were also up, with the Shanghai Composite (-0.1%) the exception.

- **Earnings news.** In after-hours reporting, **Netflix** is trading up 14% after releasing better-than-expected subscriber growth, as it gained +2.4m subscribers in the quarter. In other company news, **Apple** shares were weak on news the company would be cutting IPhone 14 plus production, after having only released it 2 weeks ago. And finally, **Lockheed Martin** was up 9% as it too outperformed earnings expectations

- **In other markets,** it was a quiet day for commodities with **WTI** losing -3.1% as the Biden administration confirmed the release of another 10-15 million barrels from its SPR. **Gold** remained ~unchanged and **silver** added +0.4%. Finally, **uranium** was flat and **tin** lost -0.9%. In the currency market, the **USD** finished ~flat against a basket of currencies despite choppy intra-day moves, and the **AUD** appreciated +0.3% against the USD. Finally, the **VIX** fell -2.8%, closing at 30.50.

- **Yields.** There were small moves in the fixed income sector overnight, as treasuries across the curve all moved within a few bps. The 2-Year lost 1bp and the 10-Year remained flat, rending the 2-10-Year yield curve ~unchaged at -43bps.

- **Futures.** Despite the gains on Wall Street, the ASX looks poised to slip at the open, given strong moves in US futures during yesterday's trade. At the time of writing, ASX futures are down -29 points or -0.4%.

- **Economics.** A big day for international economics awaits, with UK and canadian inflation figures being announced, along with China's National Congress (ongoing). There will also be three Fed speakers over the course of the day – Bullard, Kashkari and Evans.

World Indices	Close	Prior	% Δ
Local Markets			
All Ordinaries	6,976.2	6,854.3	1.8%
ASX 200	6,779.2	6,664.4	1.7%
ASX Emerging Companies	2,084.5	2,041.4	2.1%
US Markets			
Dow Jones	30,523.8	30,185.8	1.1%
S&P500	3,720.0	3,678.0	1.1%
Nasdaq	10,772.4	10,675.8	0.9%
Russell 2000	1,756.0	1,735.8	1.2%
Asian & European Markets			
Shanghai Composite	3,081.0	3,084.9	-0.1%
Nikkei	27,156.1	26,775.8	1.4%
Hang Seng	16,914.6	16,612.9	1.8%
FTSE 100	6,936.7	6,920.2	0.2%
DAX 30	12,765.6	12,649.0	0.9%
CAC 40	6,067.0	6,040.7	0.4%

Economic Releases	Time	F'cast	Prior
China's National Congress	All day		
UK Inflation	17:00	10.0%	9.9%
UK Core Inflation	17:00	6.4%	6.3%
Canada Core Inflation	23:30		5.8%
3 x Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
Hydralyte	0.150	0.125	20.0%
BetMakers Tech. Group	0.365	0.320	14.1%
Lotus Resources	0.230	0.220	4.5%
Jervois Mining	0.570	0.565	0.9%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	82.82	85.46	-3.1%
Gold	1,651.4	1,650.8	0.0%
Gold (Aus)	2,616.7	2,622.7	-0.2%
Silver	18.73	18.66	0.4%
Uranium (Spot)	50.75	50.75	0.0%
Tin (Futures)	19,750	19,925	-0.9%

Currency	Close	Prior	% Δ
DXY Index	112.01	112.08	-0.1%
AUD/USD	0.6311	0.6294	0.3%
AUD/GBP	0.5573	0.5541	0.6%
AUD/EUR	0.6400	0.6395	0.1%
AUD/YEN	94.15	93.79	0.4%
AUD/NZD	1.1097	1.1166	-0.6%
AUD/CAD	0.8671	0.8631	0.5%

Other Markets	Close	Prior	% Δ
VIX Index	30.50	31.37	-2.8%
2-Year Treasury Yield (%)	4.444	4.452	-1 bp
10-Year Treasury Yield (%)	4.011	4.016	0 bp
US 2-10-Year Spread	-0.433	-0.436	0 bp