

28 October 2022

Amazon -20% after-hours on poor Q4 guidance, ASX futures off 0.4%

- **Global markets.** It was another mixed session for stocks overnight as poor results from **Meta** (-25%) after-market in the prior session weighed on tech names – sending the Nasdaq lower by 1.6%, while the Dow was up by 0.6%. The divergence between these two indices has been quite stark this month, with the Nasdaq higher by 2%, while the Dow has managed to put on 12% MTD. In Europe, stocks ended the day more-or-less unchanged.
- **Amazon -20% after-hours.** In reporting news this morning, shares of **Amazon** are tumbling after the company guided to weaker-than-expected holiday shopping in Q4, with net sales seen at US\$140bn – US\$148bn, materially below analyst expectations for \$155bn. The company noted this was a result of “inflation, rising fuel costs and weaker demand”.
- **In economics,** the big events overnight were an ECB rate rise (75bps as expected), although dovish language accompanying the rate rise sent the **EUR** lower against all other major currencies. US GDP figures for Q3 were also released, showing 2.6% YoY growth (against 2.4% expected), while GDP price indices were a little lower than expected.
- **Yields tumble.** In fixed income news, rate hike bets continued to moderate, with the terminal Fed Funds rate now forecast at 4.78%, down from 5.03% late last week. This dovish shift in expectations can also been seen across the **Treasury** curve, where both the 2 and 10-year notes were sharply lower again overnight – by 13bps and 8bps respectively.
- **In other markets,** the **USD** resumed its upward move, higher by 0.8%, this in-turn weighed on most major commodities, with **gold, silver, uranium** and **copper** all lower. Elsewhere, **tin** bucked the trend – rising 3.2%. Finally, the **VIX Index** was relatively flat again overnight, despite the sharp moves seen in both bond and equity markets.
- **Futures lower.** Given the poor US lead, futures are off 26 points, or ~0.4% at the time of writing.

World Indices	Close	Prior	% Δ
---------------	-------	-------	-----

Local Markets

All Ordinaries	7,042.3	7,005.1	0.5%
ASX 200	6,845.1	6,810.9	0.5%
ASX Emerging Companies	2,127.5	2,091.6	1.7%

US Markets

Dow Jones	32,033.3	31,839.1	0.6%
S&P500	3,807.3	3,830.6	-0.6%
Nasdaq	10,792.7	10,971.0	-1.6%
Russell 2000	1,806.3	1,804.3	0.1%

Asian & European Markets

Shanghai Composite	2,982.9	2,999.5	-0.6%
Nikkei	27,345.2	27,431.8	-0.3%
Hang Seng	15,427.9	15,317.7	0.7%
FTSE 100	7,073.7	7,056.1	0.2%
DAX 30	13,211.2	13,195.8	0.1%
CAC 40	6,244.0	6,276.3	-0.5%

Economic Releases	Time	F'cast	Prior
-------------------	------	--------	-------

Kuroda Speaks	11:00		
BOJ Rate Decision	14:00	-0.10%	-0.10%
Eurozone GDP/Inflation Data	Various		
US PCE Index	23:30		6.2%
US Core PCE	23:30	5.2%	4.9%
Michigan Cons. Sentiment	1:00	59.8	58.6

Key BW Names	Close	Prior	% Δ
--------------	-------	-------	-----

Hydralyte	0.155	0.140	10.7%
Lotus Resources	0.235	0.220	6.8%
Family Zone Cyber Security	0.320	0.310	3.2%
BetMakers Tech. Group	0.305	0.300	1.7%

Commodities	Close	Prior	% Δ
-------------	-------	-------	-----

Oil - West Texas Crude	88.58	88.17	0.5%
Gold	1,663.1	1,664.7	-0.1%
Gold (Aus)	2,578.0	2,561.8	0.6%
Silver	19.61	19.59	0.1%
Uranium (Spot)	52.68	52.75	-0.1%
Tin (Futures)	18,625	18,055	3.2%

Currency	Close	Prior	% Δ
----------	-------	-------	-----

DXY Index	110.57	109.68	0.8%
AUD/USD	0.6451	0.6498	-0.7%
AUD/EUR	0.6475	0.6443	0.5%
AUD/YEN	94.41	95.12	-0.7%
AUD/GBP	0.5579	0.5586	-0.1%
AUD/NZD	1.1073	1.1131	-0.5%
AUD/CAD	0.8755	0.8807	-0.6%

Other Markets	Close	Prior	% Δ
---------------	-------	-------	-----

VIX Index	27.39	27.28	0.4%
2-Year Treasury Yield (%)	4.289	4.420	-13 bp
10-Year Treasury Yield (%)	3.924	4.006	-8 bp
US 2-10-Year Spread	-0.365	-0.414	5 bp

Disclosure: BW Equities advise that they and persons associated with them may have an interest in the above securities and that they may earn brokerage, commissions, fees and other benefits and advantages in connection with the making of a recommendation or a dealing by a client in these securities or by seeking to do business with companies covered in this report. Investors should consider investment risks and conflicts highlighted at the end of this report and not only consider this report in making an investment decision.