

18 January 2023

Stocks mixed overnight, MS/GS +/- 6% on earnings, BOJ on deck

- **Global markets.** It was a directionless overnight session for US stocks, with the S&P 500, Nasdaq and Russell all moving in a range of +/- 0.2%. The only meaningful mover amongst the big indices was the Dow, which lost 1.1% on account of its heavy weighting to **Goldman Sachs** – which fell 6% on earnings. In Europe stocks were similarly mixed.
- **Tech leads.** From a sector perspective, technology names were the only ones to deliver performance on the day (+0.4% as a sector), with **Tesla** shares ripping 7% higher after being blasted for much of the past three months. Other notable strength came from **Morgan Stanley** (+6%, earnings) and **NVIDIA** (+5%).
- **In fixed income news,** all eyes were on JGB's ahead of today's BOJ rate decision and speculation the central bank may cease its YCC policies – the 10-year JGB yield broke back above its 50bp band multiple times over the day. Elsewhere, **Treasury** yields were mixed with the 2-year declining 4bps and 10-year adding the same amount. The 2-10-year curve currently sits at -66bps, 7bp higher over the session.
- **In other markets,** the **USD** was stronger against a basket of currencies (mainly JPY/EUR weakness), the **AUD** was also strong. **Commodities** were mixed as **copper** and **tin** regained some ground after a poor prior session, **oil** was up >1% for the day, while **precious metals** prices were lower. And finally, the **VIX Index** was slightly lower at 19.36, but remains comfortably below its long-run average of ~20.
- **Futures higher.** Despite the lacklustre lead from Wall Street, it appears local stocks will open higher this morning – with futures up 23 points at the time of writing. In economics, inflation data is due from the UK and Eurozone, US retail sales and PPI's are out and the BOJ rate decision looms at 2pm.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,540.1	7,605.0	-0.9%
ASX 200	7,328.1	7,388.2	-0.8%
ASX Emerging Companies	2,238.6	2,267.2	-1.3%

US Markets

Dow Jones	33,910.9	34,302.6	-1.1%
S&P500	3,991.0	3,999.1	-0.2%
Nasdaq	11,095.1	11,079.2	0.1%
Russell 2000	1,884.3	1,887.0	-0.1%

Asian & European Markets

Shanghai Composite	3,224.2	3,227.6	-0.1%
Nikkei	26,138.7	25,822.3	1.2%
Hang Seng	21,577.6	21,746.7	-0.8%
FTSE 100	7,851.0	7,860.1	-0.1%
DAX 30	15,187.1	15,134.0	0.4%
CAC 40	7,077.2	7,043.3	0.5%

S&P500 Sectors	Close	Prior	% Δ
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Info. Technology	2,286.9	2,277.0	0.4%
Communication Services	170.4	172.0	-0.9%
Materials	522.5	528.2	-1.1%

Economic Releases	Time	F'cast	Prior
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BoJ Rate Decision	14:00	-0.1%	-0.1%
UK Core Inflation	18:00	6.2%	6.3%
Eurozone Core Inflation	21:00	5.2%	5.0%
US PPI	0:30	-0.1%	0.3%
US Retail Sales	0:30	-0.8%	-0.6%

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.203	0.200	1.3%
Forbidden Foods	0.028	0.028	0.0%
Syrah Resources	2.270	2.290	-0.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	80.93	79.86	1.3%
Gold	1,909	1,918	-0.5%
Gold (Aus)	2,732	2,758	-0.9%
Silver	23.92	24.30	-1.6%
Uranium (Spot)	49.50	50.00	-1.0%
Tin (Futures)	28,475	28,355	0.4%
Copper	4.23	4.22	0.4%

Other Markets	Close	Prior	% Δ
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DXY Index	102.4	102.2	0.2%
AUD/USD	0.6985	0.6954	0.4%
2-Year Treasury Yield (%)	4.205	4.241	-4 bp
10-Year Treasury Yield (%)	3.549	3.511	4 bp
US 2-10-Year Spread	-0.656	-0.730	7 bp
VIX Index	19.36	19.49	-0.7%