

23 December 2022

Markets down >1% overnight on strong economics, Tesla slammed 9%

- **Global markets.** It was another very weak session for equities overnight, as better-than-expected data and bearish comments from Appaloosa's David Tepper sent stocks sharply lower from the moment markets opened in the US through midday (the Nasdaq was off 4% at the lows). Stocks ultimately rebounded sparsely into the close to cover some of the damage. For the day all major indices were off 1.0% (Dow) to -2.2% (Nasdaq), while European markets also lost ground.
- **Economic data comes in hot.** The major events in economics overnight were US CPI for Q3 (which came in at 3.2% - being well above expectations for 2.9%), weekly jobless claims (which at 216k were also under expectations) and leading indicators, which were -1% for the month, but more-or-less flat from October. The combination of positive releases added to 'higher for longer' concerns and weighed on the day's sentiment.
- **Tesla hammered again.** From a stock perspective, shares of **Tesla** cratered for a 5th consecutive day, losing 9% at the end of the session after being down by >10% at the lows (the stock is lower again in after-market trading). Elsewhere, the classic re-opening trades (**casinos, cruise lines**) were also very weak, while **healthcare** names were the best performers on the day (with the sector losing just 0.2%).
- **In other markets,** the **USD** was slightly higher vs other majors (+0.2%), the **VIX Index** shot higher by 10% on account of the day's equity market sell-off, **Treasury** yields were modestly higher along the curve (1-3bps) and **commodities** were a mixed bag, but largely unchanged.
- **Futures lower.** Unsurprisingly, given the weak lead from Wall Street, it appears local stocks will open lower when trading commences this morning – with ASX futures currently off by 66 points, or ~0.9% at the time of writing.

World Indices	Close	Prior	% Δ
<u>Local Markets</u>			
All Ordinaries	7,335.2	7,293.0	0.6%
ASX 200	7,152.5	7,115.1	0.5%
ASX Emerging Companies	2,095.0	2,078.5	0.8%

<u>US Markets</u>			
Dow Jones	33,027.5	33,376.5	-1.0%
S&P500	3,822.4	3,878.4	-1.4%
Nasdaq	10,476.1	10,709.4	-2.2%
Russell 2000	1,754.1	1,774.4	-1.1%

<u>Asian & European Markets</u>			
Shanghai Composite	3,054.4	3,068.4	-0.5%
Nikkei	26,507.9	26,387.7	0.5%
Hang Seng	19,679.2	19,160.5	2.7%
FTSE 100	7,469.3	7,497.3	-0.4%
DAX 30	13,914.1	14,097.8	-1.3%
CAC 40	6,518.0	6,580.2	-0.9%

S&P500 Sectors	Close	Prior	% Δ
Cons. Discretionary	1,001.0	1,027.6	-2.6%
Info. Technology	2,173.0	2,229.7	-2.5%
Energy	647.9	663.2	-2.3%

Economic Releases	Time	F'cast	Prior
Japan Core Inflation	10:30	3.7%	3.6%
Housing Credit	11:30		0.4%
US Core PCE	0:30	4.7%	5.0%
US Durable Goods	0:30	-0.6%	1.0%
Michigan Cons. Sentiment	2:00	59.1	56.8

Key BW Names	Close	Prior	% Δ
Frontier Energy	0.435	0.410	6.1%
Lotus Resources	0.190	0.180	5.6%
Syrah Resources	2.280	2.280	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	78.23	78.44	-0.3%
Gold	1,791	1,815	-1.3%
Gold (Aus)	2,687	2,704	-0.6%
Silver	23.56	23.98	-1.8%
Uranium (Spot)	47.75	47.75	0.0%
Tin (Futures)	23,945	24,135	-0.8%
Copper	3.75	3.79	-0.9%
Nickel	12.80	12.90	-0.8%
Cobalt	51,755	51,755	0.0%

Other Markets	Close	Prior	% Δ
DXY Index	104.4	104.2	0.2%
AUD/USD	0.6666	0.6710	-0.7%
2-Year Treasury Yield (%)	4.261	4.227	3 bp
10-Year Treasury Yield (%)	3.684	3.677	1 bp
US 2-10-Year Spread	-0.577	-0.550	-3 bp
VIX Index	21.97	20.05	9.6%