

20 April 2023

US markets flat, futures -0.1%, Tesla -6% in A/Hs trading on rev miss

- **Global markets.** Despite some key earnings and economic releases, US markets remained relatively calm overnight, with no major movements of note. The small cap Russell 2000 outperformed, adding +0.2% whilst the Dow underperformed, slipping -0.2%. The Nasdaq and S&P500 remained ~flat. Indeed, European indices also remained within the +/-0.2% range whereas Asian indices were sold.
- **Tesla earnings** were the key event overnight, with results out after-market. Revenues rose +24% YoY while EPS was down -21%. Margins of 19.3% were below expectations, driven by price cuts – as the company aims to increase market share. Shares in the company were down -6% in after-hours trade.
- **In other markets.** **WTI Crude** broke back below \$80/bbl overnight, closing at \$79.2/bbl. Similarly, **gold** (-0.5%) fell below \$2000/oz whereas **silver** added +0.4%. Battery metals were down, as **tin** slipped -1.5% and **copper** -0.4%. In the currency market, the USD appreciated against a basket of currencies, resulting in a +0.4% gain in the **DX**, which closed at 101.9. Finally, the **VIX** continued its decline, falling another -2% overnight, hitting more fresh lows since Nov 2021.
- **Yields rise.** Short end treasuries underperformed overnight, as the 2-Year added +4bps, extending its highest yield since SVB. The 10-year only added +1bp, resulting in a -3bp change in the 2-10-Year spread, which sits at -66bps.
- **Today's agenda.** Following the tame performance of US equities overnight, the ASX looks set to open ~flat, with ASX futures down -7 points or -0.1% as of writing. Today, some important economic events are occurring, such as the NZ inflation rate, ECB policy minutes, US weekly jobless claims and speeches from Fed Waller and Fed Bowman.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,561.3	7,557.5	0.1%
ASX 200	7,365.5	7,360.2	0.1%
ASX Emerging Companies	2,166.3	2,148.5	0.8%

US Markets

Dow Jones	33,897.0	33,976.6	-0.2%
S&P500	4,154.4	4,154.9	0.0%
Nasdaq	12,157.2	12,153.4	0.0%
Russell 2000	1,799.4	1,795.6	0.2%

Asian & European Markets

Shanghai Composite	3,370.1	3,393.3	-0.7%
Nikkei	28,606.8	28,658.8	-0.2%
Hang Seng	20,367.8	20,650.5	-1.4%
FTSE 100	7,898.8	7,909.4	-0.1%
DAX 30	15,895.2	15,882.7	0.1%
CAC 40	7,549.4	7,533.6	0.2%

S&P500 Sectors	Close	Prior	% Δ
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Utilities	352.9	350.2	0.8%
Real Estate	235.6	234.4	0.5%
Communication Services	192.0	193.4	-0.7%

Economic Releases	Time	F'cast	Prior
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NZ Inflation Rate	8:45	7.1%	7.2%
ECB Policy Minutes	21:30		
US Weekly Jobless Claims	22:30		
2 x Fed Speakers	Various		

Key BW Names	Close	Prior	% Δ
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Selfwealth	0.195	0.185	5.4%
Family Zone Cyber Security	0.170	0.165	3.0%
Prospect Ltd	0.038	0.037	2.7%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	79.16	80.91	-2.2%
Gold	1,995	2,005	-0.5%
Gold (Aus)	2,971	2,979	-0.3%
Silver	25.29	25.20	0.4%
Uranium (Spot)	51.13	51.13	0.0%
Tin (Futures)	27,125	27,525	-1.5%
Copper	4.07	4.09	-0.4%

Other Markets	Close	Prior	% Δ
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DX Index	101.9	101.6	0.4%
AUD/USD	0.6716	0.6730	-0.2%
2-Year Treasury Yield (%)	4.248	4.203	4 bp
10-Year Treasury Yield (%)	3.591	3.577	1 bp
US 2-10-Year Spread	-0.657	-0.626	-3 bp
VIX Index	16.46	16.83	-2.2%