

28 April 2023

## Stocks rally sharply as Meta rises 14%, small cap earnings due today

- **Global markets.** It was an extremely strong night for US stocks, with the Nasdaq up 2.4%, the S&P +2.0% and Dow and Russell up 1.6% and 1.2% a piece. The overnight gains were broad-based, with all 11 sub-sectors closing in the green – led by **Communication Services** (+5.5%), **Consumer Discretionary** (+2.8%) and **Real Estate** (+2.4%).
- **Meta shares +14%.** The key driver of overnight gains was an after-market beat from **Meta** in the prior session, sending its stock 14% for the day. The result flowed through to broader sentiment and sent the other megacaps higher – **Amazon** added 5%, and as much as 10% after-market – **Alphabet** (+4%), **Apple** (+3%) and **Tesla** (+4%) were also strong.
- **Yields rise sharply.** The abovementioned rally in tech names came despite a very sharp move higher in bond yields, with the 2-year and 10-year +14bp and +8bp respectively for the session. The curve is inverted by 55bps at the time of writing.
- **In other markets,** the **VIX Index** plummeted 10% on account of the strong equity session and is now back at ~17. **Oil, copper, silver** and **uranium** were all up, with **gold** and **tin** slightly down. The **USD** and **AUD** were broadly unchanged.
- **Small cap 4Cs due.** Being the last day of post-quarter month, today will see a flood of quarterly 4C results out from ASX-listed micro and small cap names. Amongst BW's key focus names, yesterday saw strong results from **Family Zone** (+12%) and **Jervois** (+14%).
- **Futures higher.** Unsurprisingly, given the strong lead from Wall Street, it appears local stocks will open sharply higher when trading commences this morning – with futures currently up 75bps or ~1%.
- **Big day for economics.** Key news today includes Aus housing credit, GDP, inflation and employment figures from the Eurozone and US PCE figures.

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

### Local Markets

All Ordinaries	7,482.2	7,502.8	-0.3%
ASX 200	7,292.7	7,316.3	-0.3%
ASX Emerging Companies	2,137.8	2,123.4	0.7%

### US Markets

Dow Jones	33,826.2	33,301.9	1.6%
S&P500	4,135.4	4,056.0	2.0%
Nasdaq	12,142.2	11,854.4	2.4%
Russell 2000	1,751.2	1,730.4	1.2%

### Asian & European Markets

Shanghai Composite	3,285.9	3,264.1	0.7%
Nikkei	28,457.7	28,416.5	0.1%
Hang Seng	19,840.3	19,757.3	0.4%
FTSE 100	7,831.6	7,852.6	-0.3%
DAX 30	15,800.5	15,795.7	0.0%
CAC 40	7,483.8	7,466.7	0.2%

S&P500 Sectors	Close	Prior	% Δ
----------------	-------	-------	-----

Communication Services	197.3	186.9	5.5%
Consumer Discretionary	1,152.9	1,121.8	2.8%
Real Estate	234.1	228.5	2.4%

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

Aus Housing Credit (MoM)	11:30		0.3%
BOJ Rate Decision	13:00	-0.1%	-0.1%
Eurozone Inflation	Various		
Eurozone GDP	Various		
Eurozone Unemployment	Various		
US Core PCE Index	22:30	4.5%	4.6%
US PCE Index	22:30		5.0%
Michigan Cons. Sentiment	0:00	63.5	62.0

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

Jervois Mining	0.100	0.087	14.9%
Family Zone Cyber Security	0.185	0.165	12.1%
Lotus Resources	0.180	0.170	5.9%

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

Oil - West Texas Crude	74.76	74.32	0.6%
Gold	1,988	1,991	-0.1%
Gold (Aus)	2,998	3,013	-0.5%
Silver	24.93	24.90	0.1%
Uranium (Spot)	53.83	53.63	0.4%
Tin (Futures)	25,790	25,805	-0.1%
Copper	3.89	3.86	0.9%

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

DXY Index	101.5	101.6	-0.1%
AUD/USD	0.6631	0.6607	0.4%
2-Year Treasury Yield (%)	4.080	3.945	14 bp
10-Year Treasury Yield (%)	3.528	3.445	8 bp
US 2-10-Year Spread	-0.552	-0.500	-5 bp
VIX Index	17.03	18.84	-9.6%