

19 July 2023

Tech leads again overnight as MSFT (+4%) launches new AI suite

- **Global markets.** After opening slightly lower (weak economic data in the US), stocks ripped higher on news that **Microsoft** (+4%) would roll out a suite of Enterprise AI products, charging users \$30/month. The stock immediately rallied by ~5% (\$150bn in market cap) and pushed other tech names broadly higher in unison. For the day; the Russell and Dow led (+1.3% / +1.1%) with the Nasdaq and S&P up 0.8% / 0.7%. European stocks were also higher, in a range of 0.4% - 0.6%.
- **In sector news,** despite **Microsoft** being the technically catalyst, gains were rather broad based – with **Energy** (+1.0%) and **Financials** (+1.1%) amongst the day's best performers. The 'magnificent seven' were mixed; with **Apple**, **Alphabet** and **Amazon** all lower by <1%, while **Nvidia** (+2%) and **Tesla** (+1%) were strong – the latter of which reports earnings after-market tonight.
- **In other markets,** the **USD** was lower against a basket of currencies; with the **DX** slipping below the psychologically-important 100 level. This in-turn helped **commodities** across the board, with **oil**, **gold**, **silver**, **tin**, **copper** and **uranium** all up last night – key uranium ETF's were higher by ~2%. **Yields** were mixed (higher at the short-end, lower at the long-end) and the **VIX** fell by another 1% to be quickly approaching a level in the 12's.
- **Futures +0.5%.** Given the solid (and broad) lead from Wall Street, it appears local stocks will open higher when trading commences this morning - with ASX futures currently ahead by 39 points, or ~0.5% at the time of writing.
- **Inflation data on deck.** In economics, the Westpac leading index will be out at 11am local time, while internationally there will be key inflation data out from the UK and the Eurozone later this evening – with core inflation in the two regions forecast to fall, and come in at 7.1% / 5.4% respectively.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,496.7	7,511.6	-0.2%
ASX 200	7,283.8	7,298.5	-0.2%
ASX Emerging Companies	2,150.2	2,155.0	-0.2%

US Markets

Dow Jones	34,951.9	34,585.4	1.1%
S&P500	4,555.0	4,522.8	0.7%
Nasdaq	14,353.6	14,244.9	0.8%
Russell 2000	1,976.1	1,951.3	1.3%

Asian & European Markets

Shanghai Composite	3,197.8	3,237.7	-1.2%
Nikkei	32,493.9	32,419.3	0.2%
Hang Seng	19,015.7	19,413.8	-2.1%
FTSE 100	7,453.7	7,406.4	0.6%
DAX 30	16,125.5	16,068.7	0.4%
CAC 40	7,319.2	7,291.7	0.4%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,207.3	3,167.4	1.3%
Financials	581.7	575.2	1.1%
Energy	628.3	622.3	1.0%

Economic Releases	Time	F'cast	Prior
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Westpac Leading Index	11:00		0.0%
UK Inflation (MoM)	21:30	0.4%	0.7%
UK Core Inflation (YoY)	22:30	7.1%	7.1%
Eurozone Core Inflation (YoY)	22:30	5.4%	5.3%

Key BW Names	Close	Prior	% Δ
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Alderan Resources	0.009	0.008	12.5%
Way2VAT	0.012	0.012	4.3%
Forbidden Foods	0.019	0.019	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	75.81	75.75	0.1%
Gold	1,979	1,955	1.2%
Gold (Aus)	2,902	2,868	1.2%
Silver	25.07	24.83	1.0%
Uranium (Spot)	55.86	55.58	0.5%
Tin (Futures)	28,625	28,363	0.9%
Copper	3.83	3.83	0.2%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,278.0	7,239.0	0.5%
DX Index	99.9	100.0	-0.1%
AUD/USD	0.6819	0.6818	0.0%
2-Year Treasury Yield (%)	4.764	4.743	2 bp
10-Year Treasury Yield (%)	3.790	3.812	-2 bp
US 2-10-Year Spread	-0.974	-0.931	-4 bp
VIX Index	13.30	13.48	-1.3%

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