

21 July 2023

**Tesla (-9%) and Netflix (-8%) drag stocks lower overnight, futures ~flat**

- **Global markets.** It was a story of two halves for stocks overnight, with European indices and the Dow Jones all finishing higher, while anything tech-related was slammed on poor earnings from **Tesla** and **Netflix**. For the day, the Dow added 0.5% and the Nasdaq lost 2.1% (the largest outperformance by the former since March 2021).
- **In earnings news,** the big driver of overnight stock moves were poor after-market results from **Tesla** (-9.7%) and **Netflix** (-8.4%) in the prior session, with the former highlighting pricing (margin) pressures and the latter continuing to grapple with slow growth despite a crackdown on multiple passwords.
- **Tech slammed.** The above moves weighed on tech names broadly, with **Information Technology** (-2.0%) and **Communication Services** (-2.5%) amongst the worst performing sectors. **Nvidia** (-3.3%), **Amazon** (-4.0%), **Alphabet** (-2.3%), **Apple** (-1.0%) and **Microsoft** (-2.3%) were all weak. At the other end of the spectrum, **Utilities** (+1.7%) and **Energy** (+1.3%) had very strong days.
- **In other markets,** the **USD** surged higher against a basket of currencies (+0.5%), as **yields** rose right along the curve (2-year +9bps, 10-year +10bps). **Commodities** were mixed, but mostly higher, with **oil** +0.4% to hold US\$75/bbl, **gold** and **silver** lost ~1% each, **uranium** was modestly higher, **copper** was ~flat and **tin** outperformed all others – rising by a strong 2.4%. Finally, the **VIX Index** rose ~2% on account of the day's equity market weakness.
- **Futures ~flat.** Despite the poor lead from US tech, it appears local stocks will open broadly unchanged when trading commences this morning – with ASX futures currently up by 6bps, or ~0.1% at the time of writing. It will be a quiet day for economic data, with Japanese inflation the key event.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,541.9	7,538.2	0.0%
ASX 200	7,325.0	7,323.7	0.0%
ASX Emerging Companies	2,181.3	2,169.5	0.5%

US Markets

Dow Jones	35,225.2	35,061.2	0.5%
S&P500	4,534.9	4,565.7	-0.7%
Nasdaq	14,063.3	14,358.0	-2.1%
Russell 2000	1,967.2	1,984.9	-0.9%

Asian & European Markets

Shanghai Composite	3,169.5	3,198.8	-0.9%
Nikkei	32,490.5	32,896.0	-1.2%
Hang Seng	18,928.0	18,952.3	-0.1%
FTSE 100	7,646.1	7,588.2	0.8%
DAX 30	16,204.2	16,108.9	0.6%
CAC 40	7,384.9	7,326.9	0.8%

S&P500 Sectors	Close	Prior	% Δ
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Information Technology	3,133.2	3,198.5	-2.0%
Communication Services	217.0	222.5	-2.5%
Consumer Discretionary	1,338.4	1,385.4	-3.4%

Economic Releases	Time	F'cast	Prior
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Japan Inflation (YoY)	9:30	3.5%	3.2%
Japan Core Inflation (YoY)	9:30	3.3%	3.2%

Key BW Names	Close	Prior	% Δ
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Alderaan Resources	0.010	0.009	11.1%
Elementos	0.165	0.160	3.1%
Frontier Energy	0.345	0.345	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	75.63	75.35	0.4%
Gold	1,971	1,978	-0.4%
Gold (Aus)	2,906	2,920	-0.5%
Silver	24.76	25.12	-1.4%
Uranium (Spot)	56.10	55.85	0.4%
Tin (Futures)	28,775	28,114	2.4%
Copper	3.83	3.83	-0.1%

Other Markets	Close	Prior	% Δ
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SPI200 Futures	7,282.0	7,276.0	0.1%
DXY Index	100.8	100.3	0.5%
AUD/USD	0.6780	0.6774	0.1%
2-Year Treasury Yield (%)	4.866	4.781	9 bp
10-Year Treasury Yield (%)	3.853	3.754	10 bp
US 2-10-Year Spread	-1.013	-1.027	1 bp
VIX Index	13.99	13.76	1.7%