

27 June 2023

## Value leads growth overnight, Tesla (-6%) and Nvidia (-4%) off sharply

- **Global markets.** It was a relatively quiet overnight session for global equities, with major US indices all closing lower, in a range of flat (Dow) to -1.2% (Nasdaq), while the Russell 2000 was actually up by 0.1% on a growth → value move. Over in Europe it was a similarly uneventful session with the three key markets there ending mixed, in a range of just -0.1% to +0.3%.
- **Value outperforms.** The key theme overnight was a dramatic outperformance of value > growth, with the night's top performing sectors including **Real Estate** (+2.2%) and **Energy** (+1.7%), at the other end of the spectrum, **Information Technology**, **Communication Services** (-1.9%) and **Consumer Discretionary** (-1.3%) all lost over 1%.
- **Mega cap tech underperforms.** In-line with the above thematic, this year's leaders were mostly soft overnight, including rather large losses in **Nvidia** (-3.7%), **Tesla** (-6.1%), **Meta** (-3.6%) and **Apple** (-0.8%) – many of these names are trading further in the red in the post-market.
- **In other markets,** the **USD** was ~flat against a basket of currencies (-0.1%), the **AUD** was likewise unchanged. Industrial commodities continued their recent poor run, with both **copper** (-0.2%) and **tin** (-4.1%) lower once again. **Oil** also lost 0.7% for the day (paradoxically, **Energy** names were amongst the best on the S&P). And finally, **yields** were lower by 1-2bps along the curve and the **VIX Index** rose 6% on account of the day's minor equity market weakness.
- **Futures +0.3%.** Despite the poor lead from Wall Street, it appears local markets will actually open higher when trading commences this morning (due in part to their recent sharp underperformance). At the time of writing, ASX futures are higher by 20bps or ~0.3%. In economics, today's major news will be CPI out of Canada and US durable goods orders and consumer confidence.

World Indices	Close	Prior	% Δ
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### Local Markets

All Ordinaries	7,264.1	7,285.6	-0.3%
ASX 200	7,078.7	7,099.2	-0.3%
ASX Emerging Companies	2,000.6	2,022.6	-1.1%

### US Markets

Dow Jones	33,714.7	33,727.4	0.0%
S&P500	4,328.8	4,348.3	-0.4%
Nasdaq	13,335.8	13,492.5	-1.2%
Russell 2000	1,823.3	1,821.6	0.1%

### Asian & European Markets

Shanghai Composite	3,150.6	3,197.9	-1.5%
Nikkei	32,698.8	32,781.5	-0.3%
Hang Seng	18,794.1	18,890.0	-0.5%
FTSE 100	7,453.6	7,461.9	-0.1%
DAX 30	15,813.1	15,829.9	-0.1%
CAC 40	7,184.4	7,163.4	0.3%

S&P500 Sectors	Close	Prior	% Δ
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Real Estate	230.4	225.4	2.2%
Energy	605.4	595.2	1.7%
Communication Services	211.2	215.3	-1.9%

Economic Releases	Time	F'cast	Prior
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Canadian Core Inflation	22:30	3.9%	4.1%
US Durable Goods Orders	22:30	-1.0%	1.1%
US CB Consumer Confidence	0:00	104.0	102.3

Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.015	0.014	7.1%
Qoria	0.235	0.235	0.0%
Hydralyte	0.062	0.062	0.0%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	69.45	69.94	-0.7%
Gold	1,924	1,924	0.0%
Gold (Aus)	2,881	2,879	0.1%
Silver	22.78	22.45	1.5%
Uranium (Spot)	56.37	56.50	-0.2%
Tin (Futures)	25,640	26,730	-4.1%
Copper	3.80	3.81	-0.2%

Other Markets	Close	Prior	% Δ
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DXY Index	102.8	102.8	-0.1%
AUD/USD	0.6679	0.6682	0.0%
2-Year Treasury Yield (%)	4.746	4.754	-1 bp
10-Year Treasury Yield (%)	3.724	3.742	-2 bp
US 2-10-Year Spread	-1.022	-1.012	-1 bp
VIX Index	14.25	13.44	6.0%