

29 June 2023

Markets end little-changed overnight in volatile session, AUD -1.3%

- **Global markets.** It was a volatile overnight session in the US, which ultimately came to a ~unchanged conclusion, with all major indices moving in a range of just -0.2% (Dow) to +0.5% (Russell). Futures are trading higher however after the market close due to positive after-market earnings from chip maker **Micron**.
- **Hawkish central bankers.** Major economic news overnight was all centered around the ECB's policy panel; which saw all four heads of the world's major central banks speak. Chair Powell noted that more tightening remained his base case and didn't see core inflation falling back to 2% this year or next.
- **In company news,** the chip stocks made headlines overnight with **Micron** giving better-than-expected guidance for Q4 (revenues US\$4.1bn vs US\$3.9bn expected), while **Nvidia** opened sharply lower (-4% before rebounding over the day to moderate losses to just ~2%) – the poor performance was driven by headlines the Biden administration would look to further intensify chip exports to China. Elsewhere, **Netflix** (+3%) and **Apple** (+1%) were reasonably strong, as was **Tesla** (+2%).
- **In other markets,** the **USD** was stronger against a basket of currencies, while the **AUD** collapsed by 1.3% vs the USD on account of yesterday's dovish inflation print (5.6% vs 6.8% last month). **Yields** fell along the curve after spiking in yesterday's session, **commodities** were mixed – **oil** +2% and almost everything else down – **gold, silver, copper, tin**. And finally, the **VIX Index** fell 2% on account of the day's modest equity market moves.
- **Futures ~flat.** Given the lack of direction from Wall Street, it appears local stocks will open ~flat when trading commences this morning - with ASX futures off by just 5pts at the time of writing.
- **In economics,** today's major events include local retail sales (11:30am), more CB speak, US weekly jobless claims and German inflation data.

World Indices	Close	Prior	% Δ
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Local Markets

All Ordinaries	7,384.1	7,300.0	1.2%
ASX 200	7,196.5	7,118.2	1.1%
ASX Emerging Companies	2,028.4	1,992.2	1.8%

US Markets

Dow Jones	33,852.7	33,926.7	-0.2%
S&P500	4,376.9	4,378.4	0.0%
Nasdaq	13,591.8	13,555.7	0.3%
Russell 2000	1,858.7	1,849.9	0.5%

Asian & European Markets

Shanghai Composite	3,189.4	3,189.4	0.0%
Nikkei	33,194.0	32,538.3	2.0%
Hang Seng	19,172.1	19,148.1	0.1%
FTSE 100	7,500.5	7,461.5	0.5%
DAX 30	15,949.0	15,846.9	0.6%
CAC 40	7,286.3	7,215.6	1.0%

S&P500 Sectors	Close	Prior	% Δ
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Energy	612.9	606.8	1.0%
Communication Services	215.3	213.6	0.8%
Utilities	329.0	333.9	-1.5%

Economic Releases	Time	F'cast	Prior
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Aus Retail Sales	11:30	0.1%	0.0%
Fed Chair Powell Speaks	16:30		
Eurozone Sentiment Readings	Various		
German Inflation Rate	22:00	6.3%	6.1%
US GDP (Q1, Final)	22:30	1.4%	2.6%
US Weekly Jobless Claims	22:30		

Key BW Names	Close	Prior	% Δ
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Forbidden Foods	0.016	0.013	23.1%
Qoria	0.250	0.235	6.4%
Lotus Resources	0.175	0.170	2.9%

Commodities	Close	Prior	% Δ
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Oil - West Texas Crude	69.20	67.92	1.9%
Gold	1,910	1,915	-0.3%
Gold (Aus)	2,894	2,864	1.0%
Silver	22.72	22.86	-0.6%
Uranium (Spot)	56.07	56.37	-0.5%
Tin (Futures)	26,047	26,305	-1.0%
Copper	3.73	3.79	-1.5%

Other Markets	Close	Prior	% Δ
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DXY Index	103.0	102.5	0.5%
AUD/USD	0.6600	0.6685	-1.3%
2-Year Treasury Yield (%)	4.712	4.887	-17 bp
10-Year Treasury Yield (%)	3.712	3.767	-5 bp
US 2-10-Year Spread	-1.000	-1.120	12 bp
VIX Index	13.43	13.74	-2.3%

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