

24th April 2015

NASDAQ closes at all-time high

- The Nasdaq Composite, the U.S. market index most closely associated with technology stocks, closed at an all-time high on Thursday, surpassing a 2000 record set just before the dotcom crash in 2001.
- Amazon's CEO, Jeff Bezos decided after nine years it was finally time to disclose the financial results of his pioneering cloud business, Amazon Web Services. And so, along with its first quarter results, Amazon (AMZN) disclosed that the AWS unit had revenue of \$1.6 billion, up 50% from last year.
- Amazon shares jumped as much as 7% in volatile trading after the results came out on Thursday afternoon. That comes on top of gains of 26% so far this year, as investors are again excited about growth opportunities for the e-commerce giant.
- Crude oil prices settled up 3 percent on Thursday, hitting 2015 highs, while U.S. gasoline reached 5-month peaks after Saudi Arabia and its allies maintained a bombing blitz in Yemen that heightened concerns about the security of Middle East oil supplies. WTI Crude oil is settled at \$58.02 USD per barrel. The session peak of \$58.41 was a 2015 high.
- **DOW: +0.11%, S&P500: +0.24% and NASDAQ: +0.41%**
- US markets are still very much in limbo and I feel the market needs to see Apple's earnings on Monday (after the US close) to find direction. On the subject of Apple it is interesting to see just how correlated the S&P 500 and Apple are at present. We need to remember what an absolutely cracking record Apple has when it comes to beating consensus estimates and whether that is because the sell-side analysts purposely lower the bar is not for me to call. However, when you see the tech giant beating consensus consecutively in the last eight quarter and seven of the last eight on revenue, you know the balance of probability suggests upside risks this time around as well.

CHART OF THE DAY: Apple and S&P 500 correlation



Currency Rates

AUDUSD	0.7774
EURUSD	1.0817
USDJPY	119.62
USDCHF	0.9555
GBPUSD	1.5054
USDCAD	1.2151
EURJPY	129.38
AUDJPY	93.00
AUDNZD	1.0242

Major Indices

Dow Jones	18058.69
S&P 500	2112.93
NASDAQ	5056.06
FTSE	7053.67
DAX	11723.58
CAC	5178.91
Nikkei	20187.65
Hang Seng	27827.70
ASXSP200	5845.21
VIX Index	12.48

Commodities (\$US)

Gold	1193.05
Silver	15.86
Copper	269.45
WTI Crude	58.02
Corn	370.75
Wheat	501.50

- My personal bias is to be long Apple and cutting back on positions on a closing break of \$122.80 (the 38.2% retracement of the January to February rally). An upside break of \$128.40 (the March downtrend) would get me more excited and would coincide with a more compelling picture in trend and momentum indicators. On development of a break of \$128.40, I would expect a test of the high of \$133.60, where a closing break would even suggest adding to the trade as momentum focused traders increase exposure.

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