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Daily Market Overview

November 25, 2022

Overnight Headlines:

- Apple CEO, Tim Cook, is considering a £5.8 billion bid for the Manchester United and will line up talks with the banks overseeing the sale. British media has already speculated Amazon, Meta and also the UK's richest man, Jim Ratcliffe, may join the the list of potential new owners.
- European diplomats remain torn over how strict the price cap on Russian oil should be. Poland rejected the proposed level of \$65, believing it is too soft on Russia. Meanwhile, Greece, a major player in the oil shipping industry, does not want the cap to go below \$70. Talks were set to resume Thursday but have been delayed as diplomats need more time to overcome differences. Vladimir Putin advised to the Iraqi leader that such a price cap will be negative for the global energy market.
- Binance's CZ Zhao plans to assemble a syndicate to amass at least \$1 billion for buying distressed, yet still promising crypto assets. He advised his company would make another bid for bankrupt lender Voyager Digital and is in talks with Genesis Global, which is seeking emergency funding.

Please click on the following links to view today's indicative pricing sheets:

[CitiFirst MINIs and GSL MINIs \(PDF\)](#)

[CitiFirst MINIs and GSL MINIs \(excel\)](#)

[CitiFirst Instalment MINIs \(PDF\)](#)

Top Traded Warrants By Value and Volume From Last Trading Day

Warrant Code	Value	Citi	Warrant Code	Volume	Citi
XJOKOT	\$1,017,126	Citi Sells	XJOKOT	195,100	Citi Sells
NDXKCS	\$710,238	Citi Buys	XJOMCU	114,009	Citi Buys
SUNJOI	\$576,688	Citi Buys	SUNJOI	90,000	Citi Sells
XJOMCU	\$485,678	Citi Buys	FMGKOE	82,200	Intraday

CBAKOW \$394,218 Citi Sells **ZIPKOG** 80,000 Citi Sells

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
CHNKCP	6.694	5.36	1.34	24/11/2022	28/11/2022
SHVKCA	3.983	4.57	0.57	24/11/2022	28/11/2022

Overnight Summary:

RATES	
AUS 3yr 96.76 (+2.0bp) AUS 10yr 96.48 (+2.0bp) US 10yr 3.69 (0.0bp) Bund 10yr 1.85 (-8.0bp)	
<ul style="list-style-type: none"> • Cash treasuries were closed Thursday for a holiday, but futures extended Wednesday's rally and mostly held gains with the 10y rising 12+ ticks, equivalent to a -6bp drop in yields. • Bunds advanced across the curve as the 2s10s curve became -5.2bp bull flatter to -27bp, poised to flatten by a record this month after four consecutive days of the move. 10y bund yields fell -8bp to 1.85%, outperforming -5bp on the 2s10s30s fly which fell to the richest level since January 2021. Money markets reloaded tightening wagers after the ECB's Schnabel said it may be too soon to slow the pace of rate hikes, pricing a peak deposit rate of 2.97% by July versus as low as 2.93% prior. BTPs outperformed global peers with yields falling 8-14bp across the curve, with the 2s10s BTP curve flattening -5.7bp and the BTP-bund spread tightening -5bp to 182bp. Over to the UK, gilts sold off in a reversal of the prior day's outright duration price action. The 10y became +2.5bp cheaper to 3.03%, underperforming bunds by +10.5bp but outperformed +12bp on the 2s10s30s gilt fly which fell to a two-month low. The 7-20y QT operation was oversubscribed 1.92x and performed slightly softly overall. The BOE's Mann said inflation expectations remain well above the 2% target. • Aussie bond futures edged higher overnight, with the 3y and 10y becoming -2bp richer to 3.52% and 3.24% respectively. 	
EQUITIES	
S&P500 4,027.26 (+0.59%) Stoxx600 440.84 (+0.46%) FTSE100 7,466.60 (+0.02%)	
<ul style="list-style-type: none"> • The US market was closed for Thanksgiving holiday. 	

- European stocks closed higher on Thursday for the third consecutive day and hit their highest level in three months after a better-than-expected report on German business confidence. The recent rally has seen blue-chip shares enter a technical bull market as investors digest signs that rate hikes could moderate. The Stoxx600 added 0.46% overnight, with Real Estate leading the gains, finishing up 2.45% higher. Linde contributed most to the index, rising 0.95% after the FTC modified the 2019 order requiring Praxair and Linde to sell assets in nine industrial gases product markets in response to a petition submitted by the companies. Adevinta had the largest gain, rising 7.23% on better-than-expected revenue margin guidance in 2023. The FTSE 100 advanced slightly, with Glencore leading the advance. Real Estate was also the best performing sector, finishing up +0.92%, while Health Care performed the worst, falling -0.46%.

FOREIGN EXCHANGE

AUDUSD 0.6767 (+0.21%) | DXY 105.816 (+0.01%) | EURUSD 1.0413 (-0.17%)

- The Dollar traded largely unchanged overnight, with lower liquidity given the US Thanksgiving holiday. The Yen rallied further against the Dollar, gaining by +0.38%, but shied away from the test of 138.
- High beta FX gained alongside equity markets and other risk assets. The Kiwi and Aussie rose by +0.29% and +0.21% respectively. Oil linked currencies lagged in comparison, as the NOK and CAD traded flat overnight.
- The Euro currency complex diverged overnight. With the Euro falling by -0.17%, failing to breach the 200d MA. Meanwhile, the Pound gained by +0.27%.

CREDIT

US IG39 77.45 (-2.4bp) | US HY39 101.72 (+0.52pts) | Itraxx Main 38 87.60 (-2.00bp) | Xover 38 441.53 (-9.09bp)

- US: The US market was closed for Thanksgiving holiday.
- EU: Just 3 issuers tapped the European primary market on Thursday, raising 1.63b equivalent of fresh debt. The EU has sent an RfP to selected institutions for further funding needs to be executed in the near future, which added some activity to an otherwise very quiet market. Secondary also traded quiet with US away on Thanksgiving. The desk saw some two way flows, with some hedging in iTraxx main as we've broken into the 87 handle from RM. Fins have also started to catch up after lagging the rally yesterday. XO closed the session 9bps tighter.

COMMODITIES

Gold 1,755.25 (+0.11%) | WTI 77.96 (+0.56%) | Copper 3.65 (+0.45%) ^

- Energy: The majors were little changed overnight on the back of thin trading volumes and no updates on the EU price caps. No final agreement has been reached after the initial reports earlier in the week that \$65-70/bbl limit was under consideration. The finalisation was delayed beyond Thursday with more

time given to overcome differences that have reportedly arisen. Analysts have commented that the higher level of caps may reduce the risk of a Russian retaliation but the mechanism may be difficult to be enforced. WTI finished up 0.5% at \$85.3/bbl while Brent finished up 0.6% at \$78.0/bbl.

- Metals: Gold traded flat overnight ending with a gain of 0.1% to \$1755.3/ounce. Dollar weakness and dovish sentiment post-Fed minutes have provided some support for the bullion. However analysts note pick-up in demand for gold ETF's is yet to be seen indicating the potential lack of long-term investors returning.
- Agriculture: Wheat rose 0.4% to \$8.14/bushel while corn rose 1.1% to \$6.66/bushel. Egypt was in the market buying 175,000 tons of wheat on Thursday for shipment in December and January with 35k tons of Ukrainian and 140k of Russian wheat. Meanwhile Iraq has contracted 200k tons of Australian and 100k Canadian wheat.

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	4,027.26	23.68	0.6%	6.1%	-15.5%
Nasdaq	11,285.32	110.91	1.0%	3.0%	-27.9%
Dow Jones	34,194.06	95.96	0.3%	8.6%	-5.9%
Euro Stoxx 50	3,961.99	15.55	0.4%	12.3%	-7.8%
FTSE100	7,466.60	1.36	0.0%	6.5%	1.1%
TOPIX	2,018.80	24.05	1.2%	5.9%	1.3%
KOSPI	2,441.33	23.32	1.0%	9.2%	-18.0%
Shanghai Comp	3,089.31	-7.60	-0.2%	3.8%	-15.1%
ASX200 Futures	7,266.00	13.00	0.2%	7.0%	-1.1%
VIX Index	20.42	0.07			
Foreign Exchange					
DXY	105.8570	0.09	0.1%	-5.5%	10.6%
AUDUSD	0.6765	0.00	0.2%	7.2%	-6.9%
EURUSD	1.0409	0.00	-0.2%	5.4%	-8.5%
GBPUSD	1.2115	0.00	0.2%	7.4%	-10.5%
USDJPY	138.5000	-0.42	-0.3%	7.5%	-16.9%
USDCHF	0.9433	0.00	0.4%	6.1%	-3.2%
Fixed Income - 10y	%	bps		bps	bps
Aus (Fut.)	3.52%	-2.50		-57.50	180.00
United States	3.69%	-0.03		-40.76	218.37
United Kingdom	3.03%	2.38		-59.68	206.36
Germany	1.84%	-7.93		-31.98	202.89
France	2.29%	-9.38		-40.64	209.43
Italy	3.65%	-13.56		-70.21	249.50
Commodities					
WTI Crude	77.96	0.02	0.0%	-7.8%	3.7%
Brent Crude	85.34	-0.07	-0.1%	-8.5%	9.7%
Copper c/lb	363.00	1.20	0.3%	5.8%	-18.7%
Nickel	26,293.00	271.00	1.0%	19.8%	26.7%
Zinc US\$/mt	2,906.50	-8.00	-0.3%	-0.7%	-17.8%
Aluminium US\$/mt	2,397.00	-32.00	-1.3%	8.7%	-14.6%
Iron Ore US\$/mt	92.90	0.39	0.4%	-1.0%	-17.4%
Gold US\$/oz t	1,755.24	1.96	0.1%	6.4%	-4.0%
Silver US\$/oz t	21.53	-0.03	-0.1%	11.9%	-7.6%
Bitcoin USD	16,558.25	86.34	0.5%	-14.6%	-64.3%
DLCs					
	Last Price	Aud Price			Spread
BHP Billiton PLC	2,460.50	44.07	0.7%	12.5%	1.1%
Rio PLC	5,407.00	96.84	0.5%	13.8%	9.9%
South 32 - Lon	224.00	4.01	0.4%	12.9%	-0.3%
South 32 - J'burg	4,635.00	4.03	1.3%	9.8%	-0.7%
Janus Henderson	25.02	36.98	0.3%	14.5%	0.4%
Virgin Money	171.30	3.07	2.8%	35.1%	-4.2%
NWS A	18.23	26.95	2.2%	7.7%	-0.1%
ADRs					
	Last Price	Aud Price			Spread
BHP	60.04	44.38	2.2%	22.5%	0.4%
Rio	66.14	97.77	1.4%	22.3%	8.9%
CSL	100.10	295.93	0.2%	14.6%	1.0%
James Hardie	19.55	28.90	1.9%	-7.4%	4.4%
ResMed	229.34	33.90	-0.1%	1.6%	0.0%
Amcor	12.08	17.86	0.8%	6.9%	0.0%
Square	63.92		1.9%	12.2%	-60.4%

*At time of writing

Source: Bloomberg

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