

Please click on the following links to view our Current Issuance

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

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

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

[CitiFirst Bonus Certificates \(PDF\)](#)

and visit our new website [au.citifirst.com](http://au.citifirst.com) to view all other CitiFirst Warrants

*Remember: All CitiFirst ASX quoted Warrants have 'O' as the fifth letter. CHI-X quoted warrants have 'C'. All MINIs have 'K', 'M' or 'Q' as the fourth letter. GSL MINIs have 'L' and Instalment MINIs have 'J'.*



The Overview 18 September 2019

## US Economics Flash - IP Mfg stabilizes, diverging from still-weak survey data *(Veronica Clark 17 Sept 2019)*

- **Data**

Industrial production rose 0.6%MoM in August, stronger than consensus expectations at 0.2% and slightly closer to Citi at 0.4%. The largest subset of manufacturing production rose 0.5%, stronger than consensus and Citi at 0.2%. Mining output rose 1.4%, with the Federal Reserve noting that output in July had been dampened by Hurricane Barry. Utilities production rose 0.6%.

- **Citi's view**

The stronger-than-expected increase in manufacturing production in August, in line with an uptick in manufacturing hours worked, is a positive sign that weakness in hard data on manufacturing has not significantly worsened. This stands in contrast to the steep weakening in survey indicators such as ISM manufacturing, which declined below the key 50-level in August. Thus, we remain cautious that weakness in industrial sector activity is past us.

- Strength in manufacturing activity was largely across the board, with some modest declines in some sectors but overall solid 0.5% increases in both durable goods and nondurable goods manufacturing. Motor vehicle production declined 1% after having been strong for the past three months.
- Although manufacturing production has stabilized over the past few months, our base case for continued soft business investment and industrial sector activity is unchanged. Concerns over global growth and trade uncertainties will likely continue to weigh on activity in this sector in particular.
- The next key data release related to business investment will be the durable goods report for August released on September 27. Shipments of capital goods will be the most important component for Q3 investment in this report, although a steep decline in shipments in July suggests business investment in Q3 is again likely to be weak.
- Another solid reading in manufacturing production has made the recent disconnect between hard data and survey data even more pronounced (Figure 2). This is not dissimilar to the pattern seen in the fall of 2016, when it was ISM manufacturing production that eventually caught up with IP manufacturing. As we would not expect this disconnect to hold for long, the next release of ISM manufacturing on October 1 will be important to see if there is a rebound in the production component of the survey, potentially as global growth and trade pessimism is over-emphasized in survey responses, or if it remains low, suggesting further weakness in IP.
- The solid increase in manufacturing production just ahead of the September FOMC meeting will not change the outcome of a very-likely 25bp rate cut. However, if stabilization in hard manufacturing data continues, especially if coupled with a rebound in survey data, more Fed officials could lean against further rate cuts in an environment where downside risks have not significantly increased

[Link to full article](#) to read the report:



## Top Warrants & Stopped Out Warrants

Previous day's top warrants by value and volume					
Warrant Code	Value	Citi	Warrant Code	Volume	Citi
XJOMQ	\$3,217,573	Citi Sells	XJOMQ	1,115,431	Citi Sells
APTJOY	\$309,287	Citi Sells	LSFJOA	450,000	Citi Buys
XJOLOA	\$295,300	Citi Buys	XJOLOA	160,000	Intraday
LSFJOA	\$257,250	Citi Buys	LSFJOY	75,000	Citi Buys
APTKOT	\$203,412	Citi Sells	FMGKOP	68,700	Citi Sells

  

Stopped Out Warrants					
Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
CSLKOP	259.8440	233.92	\$25.61	17/09/2019	19/09/2019
NABKOY	30.8330	29.33	\$1.495	17/09/2019	19/09/2019
SYDKOA	7.1890	7.9	\$0.71	17/09/2019	19/09/2019

## Headlines & Highlights

- Saudi Arabia has restored almost half of the output lost at its Abqaiq plant, with the facility now processing about 2m barrels a day, Aramco CEO Amin Nasser revealed, with output expected to return to pre-attack levels of 4.9m barrels by the end of the month. Nasser also assured customers that Aramco's crude exports won't be reduced this month because it will draw down strategic reserves. Separately, Donald Trump said that the US does not need to tap into its strategic oil reserve at this point.
- The New York Fed conducted its first repo agreement operation in a decade in a move to ease funding pressure in the money markets. The bank carried out \$53.2bn in transactions to keep the fed funds rate from exceeding the top of its target range at 2.25%. This came after money markets saw funding shortages on Monday and Tuesday, driving the rate on repos as high as 10%, about four times greater than last week's levels. The Central Bank later revealed that it will continue to conduct repo operations on Wednesday.

## Overnight

**Equities | S&P500 3,005.70 (+0.26%) | Stoxx600 389.33 (-0.05%) | FTSE100 7,320.40 (-0.01%)**

- US – US stocks finished Tuesday's session with modest gains on the back of defensive bets, as investors focused on a decision on interest rates from the Federal Reserve set for Wednesday after a weekend attack in the Middle East that has roiled global energy markets. The Dow Jones Industrial Average gained 33.98 points, or 0.1%, to close at 27,110.80, while the S&P 500 rose 7.74 points, or 0.3%, to end at 3,005.70, supported by gains in real estate, up 1.3% and utilities, up 0.9%—sectors considered defensive. The Nasdaq Composite Index advanced 32.47 points, or 0.4%, to 8,186.02. WeWork parent The We Co. was expected to launch its initial public offering as soon as next week, but the sale will be delayed until at least October, according to a report in the Wall Street Journal. The delay comes amid concerns about the companies valuation, which reached \$47 billion in private markets last year, and following a pledge to make extensive changes to its governance structure. Shares of Corning Inc. tumbled 6.1% after the glass and ceramics manufacturer reduced its outlook for the full-year 2019. Shares of KLA Corp. rose 0.9% Tuesday after closing at a record on Monday, after the company raised its dividend 13% and authorized an additional \$1 billion in share repurchases.
- EU – European stocks on Tuesday floundered for direction, though oil producers remained well bid as oil futures held onto a lion's share of the advance after the attack in Saudi Arabia. The Stoxx Europe 600 weakened 0.05% to 389.33, with banks, insurers and metals producers losing ground. Oil producers including Total and BP however advanced, as Brent crude fell only slightly following the biggest one-day gain on record. The German DAX dropped 0.13% to 12363.78, the French CAC 40 rose 0.12% to 5608.94 and the UK FTSE 100 dropped 0.01% to 7320.40. Of companies in the spotlight, investors soured on Husqvarna's HUSQ.B capital markets day, in which the chainsaw and lawn mower maker fell over 5% as it set out targets for sales growth between 4% and 5% on

operating margins above 10%. The company's operating margin, adjusted for comparability, was 8.9% over the 12 months ending June. European e-commerce company Zalando slumped after Swedish investment firm Kinnevik said it sold a 5.2% stake.

**Foreign exchange | AUDUSD 0.6866 (+0.48%) | DXY 98.2250 (-0.49%) | EURUSD 1.1073 (+0.70%)**

- The greenback fell against most peers as the Fed injected capital into the market to help alleviate some of the short-term funding mayhem, with the expectation this will continue tomorrow as well.
- Cable advanced overnight rising a 100pips from close as several Supreme Court justices turned on PM Boris Johnson's decision to suspend parliament asking an explanation to what he would do if he lost the case. It closed at 1.2497.
- EURUSD also rallied overnight as data shows an improvement in Germany's ZEW index rising from an almost eight-year low following the ECB increasing monetary policy stimulus. The index rose to -22.5 from -44.1 last month. The euro rallied 82 pips to close at 1.1073.
- The AUDUSD was left pretty much unchanged from open yesterday after briefly falling 35 pips to 0.6831 before retracing the loss after close. The RBA said yesterday there's potential for an upswing in home prices as dwelling construction weakened and noted that the upward trend in wages growth has appeared to have stalled. It also reaffirmed their willingness to cut rates if necessary.

**Commodities | Gold 1,509.00 (-0.17%) | WTI 58.81 (-6.50%) | Copper 2.66 (-1.75%)**

- Oil sank from a 3 ½ month high amid signs Saudi Arabia is restoring production after a debilitating weekend attack on key installations. Futures declined by 6.5% in London after the Saudi state oil company said it revived 41% of capacity at a key crude-processing complex. Oil remained almost 7% higher than pre-attack, a signal of the risk premium factored in by traders.
- Gold gained and traded above \$1,500 an ounce yet again, as other precious metals also climbed, with the Fed widely expected to cut rates this week. Nickel (-2.0%) led industrial metals lower of the LME, largely on profit taking, as Chinese home-price data for August highlighted concerns over a cooling economy in the top commodities consumer. The Asian nation's central bank also refrained from lowering a key loan rate. LME copper settled -0.8% at \$5,821/ton. Zinc, lead, aluminium and tin also declined.
- Corn (-1.6%) and soy (-0.7%) dropped as Monday's energy price spike dissipated and traders turned their attention back to weather condition and global grain supplies; raw sugar (-1.3%) also followed crude lower. Meanwhile, cocoa futures (+0.5%) rose to a six-week high on signs of reduced supplies in West Africa, and cotton (-1.9%) snapped the longest rally in 15 months as harvests ramp up in the US.

**CORPORATE**

- NCM.AX Newcrest Mining Ltd at Denver Gold Forum
- NST.AX Northern Star Resources Ltd at Denver Gold Forum

**ECONOMICS**

- 21:00 US MBA Mortgage Applications
- 22:30 US Housing Starts
- 22:30 US Housing Starts MoM

**Overnight Summary**

-- Equities --	Last	Chg	%chg
Dow	27,111	+34	+0.1%
S&P500	3,006	+8	+0.3%
Nasdaq	8,186	+32	+0.4%
Euro Stoxx	3,521	+3	+0.1%
Shanghai Comp.	2,978	-53	-1.7%
Nikkei	22,001	+13	+0.1%
....SPI (Aust)	6,703	+9	+0.1%
-- FX --	Last	Chg	%chg
\$A / \$US	0.6866	+0.0001	+0.0%
Yen / \$US	108.12	-0.01	-0.0%
Euro / \$US	1.1071	-0.0002	-0.0%

\$A / GBP	0.5494	-0.0029	-0.5%
A\$ TWI	59.80	-0.100	-0.2%
USDCNH	7.09	0.000	-0.0%
<b>-- Cmdty --</b>	<b>Last</b>	<b>Chg</b>	<b>%chg</b>
Aluminium	81.3	-0.8	-0.9%
Copper	266.3	-4.7	-1.7%
Nickel	787.9	-17.2	-2.1%
Coking Coal	144.8	-1.4	-0.9%
Thermal Coal	65.6	-0.5	-0.8%
Iron Ore	93.3	0.2	+0.2%
Gold	1509.00	-2.50	-0.2%
Oil...WTI	59.34	-3.56	-5.7%
Oil..Brent	64.17	-4.85	-7.0%
Zinc	2365.00	-20.00	-0.8%
Gas	2.66	-0.02	-0.6%
<b>-- DLCs --</b>	<b>Last</b>	<b>Chg</b>	<b>%chg</b>
BHP Billiton Plc	1,795	-29.6	-1.6%
Rio Plc	4,263	-69.5	-1.6%
Clydesdale Plc	124	0.0	+0.0%
South 32 - London	150	-4.8	-3.1%
<b>-- US listeds --</b>	<b>Last</b>	<b>Chg</b>	<b>%chg</b>
BHP - adr	51.58	-0.46	-0.9%
RIO - adr	53.61	-0.04	-0.1%
Janus Henderson	21.95	0.0	+0.0%
Resmed	133.93	+3.30	+2.5%
NWS A	14.25	+0.17	+1.2%
James Hardie	16.33	+0.24	+1.5%
<b>Bonds</b>	<b>Last</b>	<b>Chg</b>	<b>%chg</b>
US 10 Year	1.80	-0.05	
Aus 10 Year	1.13	-0.06	
<b>Volatility</b>	<b>Last</b>	<b>Chg</b>	<b>%chg</b>
VIX	14.44	-0.23	-1.6%

Source: Bloomberg

## Contacts

**Elizabeth Tian**

02 8225 6154

[elizabeth.tian@citi.com](mailto:elizabeth.tian@citi.com)

**Carsten Jensen**

02 8225 6184

[carsten.jensen@citi.com](mailto:carsten.jensen@citi.com)

web: [www.citifirst.com.au](http://www.citifirst.com.au)

ph: 1300 30 70 70

For further information please contact the CitiFirst Sales desk on 1300 30 70 70. To unsubscribe, please email [citifirst.warrants@citi.com](mailto:citifirst.warrants@citi.com).

### DISCLAIMER

This communication is provided in Australia by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL 240992, Participant of the ASX Group and of Chi-X Australia), Citigroup Pty Limited (ABN 88 004 325 080, AFSL No. 238098) and/or Citibank, N.A., Sydney Branch (ARBN 34 072 814 058). Citigroup Global Markets Australia Pty Limited is not an Authorised Deposit-Taking Institution under the Banking Act 1959, nor is it regulated by the Australian Prudential Regulation Authority. Citibank N.A. is a body incorporated in the United States of America. Pursuant to Australian Securities and Investments Commission Class Order 03/1101, Citibank N.A. is exempt from the requirement to hold an Australian financial services licence under the Corporations Act (2001) in respect of financial services. Citibank N.A. is regulated by the Comptroller of the Currency of the US and by the Federal Reserve System of the US, under US laws which may differ from Australian laws.

Where this communication is distributed outside Australia it is distributed through authorised affiliates (collectively, "Citi").

Investors should ensure they read the Product Disclosure Statement (PDS) associated with each warrant in its entirety prior to making an investment decision. All of the PDS' are available on the CitiFirst Warrants website at [www.citifirst.com.au](http://www.citifirst.com.au).

This communication is prepared by individual sales and/or trading personnel of Citi who are not research analysts, and the information in this communication is not intended to constitute "research" as that term is defined by applicable regulations. Unless otherwise indicated, any reference to a research report or research recommendation is not intended to represent the whole report and is not in itself considered a recommendation or research report. All views, opinions and estimates expressed in this communication (i) may change



without notice and (ii) may differ from those views, opinions and estimates held or expressed by Citi or other Citi personnel.

This communication is provided for information and discussion purposes only, is subject to change without notice, is strictly confidential, may not be reproduced and is intended for your use only. It does not include a number of terms and conditions that will be included in any actual transaction and final terms and conditions are subject to further discussion and negotiation nor does it purport to identify all risks (direct or indirect). This communication is not a commitment to deal in any product, offer financing or enter into any transaction described herein. Unless otherwise indicated, (i) it does not constitute an offer or recommendation to purchase or sell any financial instruments or other products, (ii) it does not constitute a solicitation if it is not subject to the rules of the CFTC (but see discussion above regarding communication subject to CFTC rules) and (iii) it is not intended as an official confirmation of any transaction. Unless otherwise expressly indicated, this communication does not take into account the investment objectives or financial situation of any particular person. Recipients of this communication should obtain advice based on their own individual circumstances from their own tax, financial, legal and other advisors before making an investment decision, and only make such decisions on the basis of the investor's own objectives, experience and resources. The information contained in this communication is based on generally available information and, although obtained from sources believed by Citi to be reliable, its accuracy and completeness cannot be assured, and such information may be incomplete or condensed.

Citi is not acting as your agent, fiduciary or investment adviser and is not managing your account. The provision of information in this communication is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. It does not constitute investment advice and Citi makes no recommendation as to the suitability of any of the products or transactions mentioned. Even if Citi possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for you of any transaction, series of transactions or trading strategy. Save in those jurisdictions where it is not permissible to make such a statement, we hereby inform you that this communication should not be considered as a solicitation or offer to sell or purchase any securities, deal in any product or enter into any transaction. You should make any trading or investment decisions in reliance on your own analysis and judgment and/or that of your independent advisors and not in reliance on Citi and any decision whether or not to adopt any strategy or engage in any transaction will not be Citi's responsibility. Citi does not provide investment, accounting, tax, financial or legal advice; such matters as well as the suitability of a potential transaction or product or investment should be discussed with your independent advisors. Prior to dealing in any product or entering into any transaction, you and the senior management in your organisation should determine, without reliance on Citi, (i) the economic risks or merits, as well as the legal, tax and accounting characteristics and consequences of dealing with any product or entering into the transaction (ii) that you are able to assume these risks, (iii) that such product or transaction is appropriate for a person with your experience, investment goals, financial resources or any other relevant circumstance or consideration. Where you are acting as an adviser or agent, you should evaluate this communication in light of the circumstances applicable to your principal and the scope of your authority.

The information in this communication, including any trade or strategy ideas, is provided by individual sales and/or trading personnel of Citi and not by Citi's research department and therefore the directives on the independence of research do not apply. Any view expressed in this communication may represent the current views and interpretations of the markets, products or events of such individual sales and/or trading personnel and may be different from other sales and/or trading personnel and may also differ from Citi's published research – the views in this communication may be more short term in nature and liable to change more quickly than the views of Citi research department which are generally more long term. On the occasions where information provided includes extracts or summary material derived from research reports published by Citi's research department, you are advised to obtain and review the original piece of research to see the research analyst's full analysis. Any prices used herein, unless otherwise specified, are indicative. Although all information has been obtained from, and is based upon sources believed to be reliable, it may be incomplete or condensed and its accuracy cannot be guaranteed. Citi makes no representation or warranty, expressed or implied, as to the accuracy of the information, the reasonableness of any assumptions used in calculating any illustrative performance information or the accuracy (mathematical or otherwise) or validity of such information. Any opinions attributed to Citi constitute Citi's judgment as of the date of the relevant material and are subject to change without notice. Provision of information may cease at any time without reason or notice being given. Commissions and other costs relating to any dealing in any products or entering into any transactions referred to in this communication may not have been taken into consideration.

Any scenario analysis or information generated from a model is for illustrative purposes only. Where the communication contains "forward-looking" information, such information may include, but is not limited to, projections, forecasts or estimates of cash flows, yields or return, scenario analyses and proposed or expected portfolio composition. Any forward-looking information is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which are specified herein or can be ascertained at this time). It does not represent actual termination or unwind prices that may be available to you or the actual performance of any products and neither does it present all possible outcomes or describe all factors that may affect the value of any applicable investment, product or investment. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed. Illustrative performance results may be based on mathematical models that calculate those results by using inputs that are based on assumptions about a variety of future conditions and events and not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results may vary and the variations may be substantial. The products or transactions identified in any of the illustrative calculations presented herein may therefore not perform as described and actual performance may differ, and may differ substantially, from those illustrated in this communication. When evaluating any forward looking information you should understand the assumptions used and, together with your independent advisors, consider whether they are appropriate for your purposes. You should also note that the models used in any analysis may be proprietary, making the results difficult or impossible for any third party to reproduce. This communication is not intended to predict any future events. Past performance is not indicative of future performance.

Citi shall have no liability to the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of any data or calculations contained and/or referred to in this communication nor for any special, direct, indirect, incidental or consequential loss or damage which may be sustained because of the use of the information contained and/or referred to in this communication or otherwise arising in connection with the information contained and/or referred to in this communication, provided that this exclusion of liability shall not exclude or limit any liability under any law or regulation applicable to Citi that may not be excluded or restricted.

The transactions and any products described herein may be subject to fluctuations of their mark-to-market price or value and such fluctuations may, depending on the type of product or security and the financial environment, be substantial. Where a product or transaction provides for payments linked to or derived from prices or yields of, without limitation, one or more securities, other instruments, indices, rates, assets or foreign currencies, such provisions may result in negative fluctuations in the value of and amounts payable with respect to such product prior to or at redemption. You should consider the implications of such fluctuations with your independent advisors. The products or transactions referred to in this communication may be subject to the risk of loss of some or all of your investment, for instance (and the examples set out below are not exhaustive), as a result of fluctuations in price or value of the product or transaction or a lack of liquidity in the market or the risk that your counterparty or any guarantor fails to perform its obligations or, if this the product or transaction is linked to the credit of one or more entities, any change to the creditworthiness of the credit of any of those entities.

Citi (whether through the individual sales and/trading personnel involved in the preparation or issuance of this communication or otherwise) may from time to time have long or short principal positions and/or actively trade, for its own account and those of its customers, by making markets to its clients, in products identical to or economically related to the products or transactions referred to in this communication. Citi may also undertake hedging transactions related to the initiation or termination of a product or transaction, that may adversely affect the market price, rate, index or other market factor(s) underlying the product or transaction and consequently its value. Citi may have an investment banking or other commercial relationship with and access to information from the issuer(s) of securities, products, or other interests underlying a product or transaction. Citi may also have potential conflicts of interest due to the present or future relationships between Citi and any asset underlying the product or transaction, any collateral manager, any reference obligations or any reference entity.

Any decision to purchase any product or enter into any transaction referred to in this communication should be based upon the information contained in any associated offering document if one is available (including any risk factors or investment considerations mentioned therein) and/or the terms of any agreement. Any securities which are the subject of this communication have not been and will not be registered under the United States Securities Act of 1933 as amended (the Securities Act) or any United States securities law, and may not be offered or sold within the United States or to, or for the account or benefit of, any US person, except pursuant to an exemption from, or in a product or transaction, not subject to, the registration requirements of the Securities Act. This communication is not intended for distribution to, or to be used by, any person or entity in any jurisdiction or country which distribution or use would be contrary to law or regulation.

This communication contains data compilations, writings and information that are confidential and proprietary to Citi and protected under copyright and other intellectual property laws, and may not be reproduced, distributed or otherwise transmitted by you to any other person for any purpose unless Citi's prior written consent have been obtained.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of Citi, you should be aware that none of the financial instruments or other products mentioned in this communication (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or



---

*(ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.*

*IRS Circular 230 Disclosure: Citi and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of Citi. Any statements in this communication to tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.*

*Citi specifically prohibits the redistribution of this communication in whole or in part without the written permission of Citi and Citi accepts no liability whatsoever for the actions of third parties in this respect.*

*Copyright © 2015 Citigroup Inc. and/or its affiliates. All rights reserved. CITI, CITI and Arc Design, CITIBANK and CITIGROUP are trademarks and service marks of Citigroup Inc. and/or its affiliates and are used and registered throughout the world.*

---

