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Daily Market Overview

April 2, 2025

Overnight Headlines:

- U.S. manufacturing contracted in March after two consecutive months of growth, while factory-gate inflation surged to its highest level in nearly three years, fuelled by concerns over rising tariffs on imports. The Institute for Supply Management (ISM) reported that its manufacturing PMI fell to 49.0 in March from 50.3 in February, signalling contraction in a sector that comprises 10.2% of the economy. A PMI reading below 50 indicates shrinking activity. Economists surveyed by Reuters had expected a decline to 49.5. The ISM's forward-looking new orders sub-index dropped to 45.2—its lowest level since May 2023—down from 48.6 in February, while factory production also weakened. Meanwhile, the survey's measure of input costs for manufacturers spiked to 69.4 in March, the highest since June 2022, up from 62.4 in February ([Reuters](#)).
- Eurozone inflation declined for the second consecutive month to 2.2%, raising expectations that the European Central Bank (ECB) will soften its stance and cut rates again later this month. The figure dropped from February's 2.3% as services inflation fell to 3.4%, its lowest level in nearly three years, down from 3.7% the previous month. Although inflation remains above the ECB's 2% medium-term target, policymakers view the late-2024 uptick as temporary. Following the release of the data by Eurostat, investors priced in a 75% chance of a quarter-point rate cut at the ECB's April 17 meeting ([Reuters](#)).
- Labor will call on the Fair Work Commission to approve a wage increase exceeding inflation for 2.9 million low-paid workers. In its submission to the commission's annual wage review today, Labor will argue that the increase should be "economically sustainable" and aligned with inflation returning to the Reserve Bank's 2%-3% target range. A 3% rise would equate to an additional \$27 per week for those earning the national minimum wage ([ABC](#)).

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

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

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

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Top Traded Warrants By Value and Volume From Last Trading Day

Warrant Code	Value	Citi	Warrant Code	Volume	Citi
XJOKOV	\$1,047,457	Citi Sells	CBAWOB	200,030	Citi Buys
XJOKCV	\$854,173	Citi Sells	XJOKCV	140,500	Citi Sells
XJOKOU	\$771,600	Intraday	XJOKOV	128,221	Citi Sells
XJOKCM	\$715,664	Citi Buys	XJOKCM	127,400	Citi Buys
MINKCB	\$297,456	Intraday	PLSKOC	122,000	Citi Sells

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
AMPKOC	1.0525	1.21	0.155	1/04/2025	3/04/2025
DMPKOD	22.2899	25.63	3.330	1/04/2025	3/04/2025
JHXKCB	32.2237	37.06	4.790	1/04/2025	3/04/2025
CBAKOT	172.1339	151.48	20.340	1/04/2025	3/04/2025
SPFKCE	5343.223	5557	3.290	1/04/2025	3/04/2025
NWLKCE	21.0046	25.27	4.260	1/04/2025	3/04/2025

Overnight Summary:

RATES
AUS 3yr 96.34 (+3.0bp) AUS 10yr 95.62 (+2.5bp) US 10yr 4.17 (-3.5bp) Bund 10yr 2.69 (-5.1bp)
<ul style="list-style-type: none"> US: US treasuries rallied overnight on some weak data prints that raised stagflation concerns. The 2s10s cash curve flattened -2.77bps with the 10y yield decreasing -3.45bps. Swap spreads widened across the tenors, with the 10y spread 1bp higher. JOLTS fell to 7.568m in Feb, slightly below expectations of 7.616m, signalling reduced labour demand borne from tariff induced business uncertainty. While perhaps more significantly the ISM PMI in March was weak. The PMI fell to 49 in March, from 50.3 in February and below expectations of 49.5. Additionally, , the survey's measure of input costs for manufacturers spiked to 69.4 in March, the highest since June 2022, up from 62.4 in February (BBG). Euro: Euro bonds outperformed the US as cash curves were left flatter. Eurozone inflation eased as expected in March, with core inflation increasing 2.2% y/y from 2.3% y/y in Feb. Importantly, services inflation dropped to 3.4% y/y, its lowest level in nearly 3 years and down from 3.7% in Feb. However, on the growth front the labour market remains tight with unemployment falling to

6.1% in Feb (vs expectations of 6.2%), an all-time low. The Bund 2s10s cash curve was -2.72bps flatter, with the 10y yield declining -5.10bps, the BTP 2s10s cash curve flattened -4.53bps with the 10y yield down -7.8bps and the Gilt 2s10s cash curve flattened -1.80bps with the 10y yield down -4.10bps ([Reuters](#)).

- **Aussie:** Aussie bond futs bull steepened with the 3y contract up 3bps and the 10y contract up 2.50bps.

EQUITIES

S&P500 5,617.00 (+0.09%) | Stoxx600 539.64 (+1.07%) | FTSE100 8,634.80 (+0.61%)

- **US:** Wall Street indexes were mixed after Tuesday's session, as investors were unsure how to act ahead of impending tariff announcements from the Trump Administration on April 2, dubbed "Liberation Day". Despite this uncertainty, the majority of sectors on the S&P500 closed in the green, with Consumer Discretionary stocks leading the index, up +1.09%. Health Care stocks dragged on the index, down -1.88%. Tesla saw the largest percentage increase on the index, gaining +3.78% ahead of its first-quarter vehicle deliveries report, expected Wednesday. Other Mag7 stocks saw gains, including Meta up +1.67%, Microsoft up +1.82% and Amazon up +0.97%. Newsmax soared for its second day, up +195.77% after posting a more than +700% increase on its NYSE debut on Monday ([Reuters](#)).
- **EU:** European shares rebounded overnight from a two-month low as investors braced for impending US reciprocal tariffs announced April 2. Almost all sectors saw gains on the STOXX 600, with tech stocks leading the index, up +2.00%. Energy was the only sector to decline, down -0.23%. Software company SAP and semiconductor company ASML saw some of the largest gains on the index, up +2.35% and +2.26% respectively. Danish biotechnology company Bavarian Nordic advanced +2.27% after announcing that the US Food and Drug Administration had approved a freeze-dried formulation of its smallpox and mpox vaccine ([Reuters](#)).

FOREIGN EXCHANGE

AUDUSD 0.6274 (+0.35%) | DXY 104.269 (-0.01%) | EURUSD 1.0786 (-0.14%)

- **Safe Haven:** Overnight, the dollar didn't know where to go, moving between gains and losses until it finally finished flat, with the DXY at -0.01% to 104.269. It's choppy moves came as US ISM showed clear signs of stagflation ([Citi](#)), as prices paid surprised higher to 69.4 vs 64.6 expected, and manufacturing fell to 49 vs 49.5 expected. Additionally, US labour sentiment appears to be worsening, as ISM employment surprised lower to 44.7 vs 47.3 and JOLTS showing job openings lower and quits & layoffs higher than expected ([Citi](#)). The Yen saw strength from safe haven flows, supported by Tankan business data showing signals of strength, with the large manufacturing outlook surprising higher to 12 vs 9 expected ([BBG](#)). The USDJPY fell -0.17% to 149.61.
- **High Beta:** Coming off yesterday's large fall, the antipodeans have bounced back with the Kiwi outperforming the Aussie against the US dollar. The Aussie

gained +0.35% to 0.6274 while the Kiwi gained +0.51% to 0.5697. Citi NY flows show the Aussie continued to maintain a net positive flow score; this time being driven by leveraged buying ([Citi](#)). Reports state there is an expectation that the PBOC will deploy stimulus as soon as April, with the timing “likely” to be to the threat and implementation of US tariffs ([BBG](#)).

- **European:** The Euro continued to underperform the dollar, falling -0.14% to 1.0786, as tariff uncertainty and slowing inflation weigh on the pair ([BBG](#)). Eurozone CPI printed overnight in line with expectations at 2.2% YoY, slowing from 2.3% prior. Manufacturing PMI also fell to 48.6 from 48.7, adding to bets the ECB will cut in April ([Citi](#)). The Sterling inched slightly lower -0.02% to 1.2914. BoE’s Greene said that “Monetary policy has to bear on the economy” to bring inflation back to the 2% target, and that “the disinflationary process continues to be underway, but actually some of the indicators of underlying inflation persistence haven’t faded as I might have expected.” ([BBG](#)).

COMMODITIES

Gold 3,116.94 (-0.62%) | WTI 71.22 (-0.65%) | Copper 9693.00 (-0.18%) ^

- **Energy:** Oil prices dipped on Tuesday as traders prepared for retaliatory tariffs set to be announced by U.S. President Donald Trump on Wednesday, potentially escalating global trade tensions. Brent crude declined -0.67% and WTI decreased -0.65%. The White House did not disclose details on the size or scope of the tariffs but confirmed they would be imposed. However, oil prices found some support after Russia ordered Kazakhstan’s main oil export terminal to shut down two of its three moorings amid a dispute between Kazakhstan and OPEC+—the alliance of OPEC members and partners led by Russia—over excess production. As a result, Kazakhstan will be forced to cut oil output, according to two industry sources cited by Reuters. Another source indicated that repairs at the Caspian Pipeline Consortium terminal are expected to take more than a month ([Reuters](#)).
- **Metals:** Gold prices edged lower on Tuesday as investors took profits, though the metal remained near record highs amid safe-haven demand ahead of President Donald Trump’s expected announcement of broad tariffs on countries with trade imbalances with the U.S. Spot gold declined -0.62%. Demand was perhaps aided by some stagflation concerns that came out of the US ISM PMI. The survey’s measure of input costs for manufacturers spiked to 69.4 in March, the highest since June 2022, up from 62.4 in February. In precious metals, silver declined -1.25%, copper decreased -0.18%, nickel gained +1.19%, zinc lost -1.05% and aluminium was -1.03% lower ([Reuters](#)).

Overnight Summary

	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
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Equities					
S&P 500	5,633.07	21.22	0.4%	-5.4%	-4.2%
Nasdaq	17,449.89	150.60	0.9%	-7.4%	-9.6%
Dow Jones	41,989.96	-11.80	0.0%	-4.2%	-1.3%
Euro Stoxx 50	5,320.30	71.91	1.4%	-2.6%	8.7%
FTSE100	8,634.80	51.99	0.6%	-2.0%	5.7%
TOPIX	2,661.73	3.00	0.1%	-0.8%	-4.4%
KOSPI	2,521.39	40.27	1.6%	-0.4%	5.1%
Shanghai Comp	3,348.44	12.69	0.4%	0.8%	-0.1%
ASX200 Futures	8,001.00	28.00	0.4%	-1.6%	-1.8%
VIX Index	21.77	-0.51			

Foreign Exchange					
DX	104.2140	-0.01	0.0%	-3.2%	-3.9%
AUDUSD	0.6278	0.00	0.4%	0.9%	1.5%
EURUSD	1.0792	0.00	-0.1%	2.9%	4.2%
GBPUSD	1.2923	0.00	0.0%	1.7%	3.3%
USDJPY	149.6300	-0.19	-0.1%	-0.1%	5.1%
USDCHF	0.8838	0.00	0.1%	1.5%	2.7%

Fixed Income - 10y	%	bps		bps	bps
Aus (Fut.)	4.38%	-2.50		6.50	-1.00
United States	4.17%	-3.93		-4.13	-40.41
United Kingdom	4.64%	-3.69		15.61	7.20
Germany	2.68%	-5.13		27.96	32.06
France	3.40%	-5.17		25.57	20.63
Italy	3.79%	-7.75		25.23	26.82

Commodities					
WTI Crude	71.23	-0.25	-0.3%	2.1%	-0.7%
Brent Crude	74.50	-0.27	-0.4%	1.8%	-0.2%
Copper c/lb	503.25	-0.15	0.0%	11.5%	25.0%
Nickel	15,918.00	-462.00	-2.8%	3.1%	3.8%
Zinc US\$/mt	2,852.50	-4.50	-0.2%	2.1%	-4.2%
Aluminium US\$/mt	2,533.00	-14.50	-0.6%	-2.8%	-0.7%
Iron Ore US\$/mt	103.90	0.02	0.0%	-2.8%	0.3%
Gold US\$/oz t	3,113.74	-17.75	-0.6%	7.6%	18.6%
Silver US\$/oz t	33.67	-0.31	-0.9%	6.3%	16.5%
Bitcoin USD	85,211.67	2,790.37	3.4%	-1.0%	-9.1%
Lithium (ETF)	38.61	-0.19	-0.5%	-5.2%	-5.3%
Uranium (ETF)	20.74	0.20	0.97	-0.10	-16.57

DLCs	Last Price	Aud Price			Spread
Rio PLC	4,654.50	95.82	1.5%	-2.9%	22.2%
South 32 - Lon	156.00	3.21	0.8%	-10.8%	0.0%
South 32 - J'burg	3,700.00	3.19	-0.1%	-9.1%	0.7%
Alcoa	30.14	48.01	-1.2%	-9.4%	1.0%
NWS A	27.00	43.01	-0.8%	-5.7%	12.3%

ADRs	Last Price	Aud Price			Spread
BHP	48.78	38.85	0.5%	0.6%	0.1%
Rio	60.23	95.94	0.2%	-0.5%	22.1%
CSL	79.46	253.14	0.5%	-2.3%	-0.6%
James Hardie	23.12	36.83	-1.9%	-26.8%	0.4%
ResMed	222.30	35.41	-0.7%	-4.8%	-0.7%
Amcor	9.81	15.63	1.1%	-3.1%	-0.7%
Life360	38.38	20.38	0.0%	-15.1%	0.1%

***At time of writing**

Source: Bloomberg

CitiFirst Warrants

1300 30 70 70

citifirst.warrants@citi.com

For further information please contact the CitiFirst Sales desk on 1300 30 70 70. To unsubscribe, please email citifirst.warrants@citi.com.

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