



CitiFirst Warrants (Australia)

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Daily Market Overview

September 9, 2024

Overnight Headlines:

- Friday saw the highly anticipated non-farm payrolls data printing at 142k vs 160k expected. The unemployment rate lowered to 4.2%, the first decline in five months. Treasuries rallied, equity markets ended higher and the dollar dipped ([BBG](#)). [Citi](#) remains at 125bps of cuts for the remainder of this year, though notes that there may need to be more weakness before committing to a 50bps cut.
- China will fully open its manufacturing sector to foreign investments starting November 1 and expand opportunities in its health care sector. The National Development and Reform Commission announced the removal of minor restrictions, such as Chinese majority control in printing and limits on herbal medication production, as part of efforts to boost the economy ([BBG](#)).
- A recent NYT-Siena College poll shows Donald Trump slightly leading Kamala Harris, highlighting a tight race for November's election. The poll comes ahead of the first Presidential debate between the two candidates on Tuesday night, with the poll revealing that 28% of voters feeling that they need to learn more about Harris, versus 9% to Trump ([BBG](#)).

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
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ANZJOB	\$923,400	Citi Sells	ZSIKCE	905,000	Citi Sells
ZSIKCE	\$825,400	Citi Sells	KARKCG	378,181	Citi Sells
BHPJCD	\$684,593	Citi Buys	KARKCF	310,113	Citi Buys
BHPKOF	\$559,200	Citi Sells	WDSJOE	143,750	Citi Buys
XJOKCS	\$554,090	Citi Sells	PRUKOD	125,000	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
CHNLCB	0.8021	0.96	\$0.145	6/09/2024	10/09/2024
WDSJOE	21.1457	24.31	\$3.080	6/09/2024	10/09/2024
KARJOD	1.2327	1.48	\$0.240	6/09/2024	10/09/2024
MP1JCA	6.5306	7.61	\$1.065	6/09/2024	10/09/2024
HLSKOC	1.3657	1.57	\$0.215	6/09/2024	10/09/2024
ALDJCB	24.8305	28.53	\$3.690	6/09/2024	10/09/2024
WHCJCB	4.8435	6.03	\$1.145	6/09/2024	10/09/2024
XJOKCS	8513.0689	8003	\$5.090	6/09/2024	10/09/2024
PDNJOC	6.6581	8.31	\$1.635	6/09/2024	10/09/2024
MINKOI	25.6563	30.78	\$5.160	6/09/2024	10/09/2024
BXBKOP	21.8629	18.58	\$3.280	6/09/2024	10/09/2024
MQGKOU	265.3095	225.5	\$39.700	6/09/2024	10/09/2024
SPFKOD	5260.8463	5466	\$3.050	6/09/2024	10/09/2024
NDXMCD	17638.6098	18503	\$12.890	6/09/2024	10/09/2024

Overnight Summary:

RATES
AUS 3yr 96.51 (0.0bp) AUS 10yr 96.09 (-2.5bp) US 10yr 3.71 (-1.9bp) Bund 10yr 2.17 (-3.6bp)
<ul style="list-style-type: none"> US: US treasuries advanced after a whippy day of price action following comments from Waller and the jobs report. The softer than expected payrolls report at 142k vs 160k expected, with the initial kneejerk reaction as a sell-off across the curve, and Fed dated OIS pricing about 50% odds of a 50bps rate cut, before unwinding later in the day to 20% odds. Waller's comments saying "Considering the achieved and continuing progress on inflation and moderation in the labor market, I believe the time has come to lower the target range for the federal funds rate at our upcoming meeting," indicating that he would be potentially open to a larger reduction if required. Futures rallied on kneejerk to Waller headlines before rebounding; the day ended with a record 1 million volume traded. Front

end gains held strong throughout the day, with 2y treasuries ending -9.73bps lower to 3.646% and the 10y remaining relatively steady at 3.708% (-1.89bps) ([BBG](#)).

- **EU:** European bonds bull steepened, underperforming treasuries, following US Fed speak and NFPs. Similar to the US market, European bonds rallied upon the jobs report, before paring the move back upon Fed speak including John Williams not committing to a larger rate cut. ECB rate cut wagers were added to, ending the day with 66bps of cuts by year end and 178bps by end of 2025, a 10bps increase. 2y bunds ended -6.58bps to 2.226% and the 10y ended -3.61bps lower to 2.17%. BTPs underperformed its euro peers, with the 2y down -4.11bps to 2.707% and the 30y selling off by +0.16bps to 4.237%. BOE rate cut wagers were added to, ending the day with 148bps priced into 2025. 2y gilts ended -4.53bps lower to 3.951% and the 10y ended -2.74bps to 3.885% ([BBG](#)).
- **AU:** Aussie bond futures bull flattened with the 3y price unched and 10y down -2.5bps.

EQUITIES

S&P500 5,408.42 (-1.73%) | Stoxx600 506.56 (-1.07%) | FTSE100 8,181.47 (-0.73%)

- US stocks fell on Friday with jobs data pointing to continued labour market slowness. NFPs increased 142,000 in August, shy of expectations while the July figure was revised down to 89,000 which was also below estimates. The S&P500 (-1.73%), Dow (-1.01%) and NASDAQ (-2.55%) all fell with the declines capping off the worst week for US equities since March 2023. All GICS sectors except Real Estate (+0.01%) closed lower with Communication Services (-2.90%) leading declines. Megacap names traded down with Tesla (-8.45%), Nvidia (-4.09%), Alphabet (-4.02%) and Amazon (-3.65%) all falling. Broadcom (-10.36%) fell with the chipmaker forecasting 4Q revenue below estimates, impacted by sluggish spending in its broadband segment. The company now expects revenue of \$14bn, below expectations of \$14.04bn ([IBD](#)). Other tech stocks were also down with Super Micro Computer (-6.79%) AMD (-3.65%) posting declines.
- European shares declined on Friday, falling for the fifth straight session following weaker NFPs from the US. The Stoxx600 fell -1.07% with Information Technology (-2.72%) the worst performing GICS sector. Real Estate (+0.61%) and Utilities (+0.12%) were the only sectors to rise. Among individual names, Volvo (-5.71%) fell with the Swedish automaker cutting its margin and revenue targets for a second time in a year ([Reuters](#)). Poland's InPost (+11.67%) rose after reporting a +29% increase in 2Q earnings ([Reuters](#)).

FOREIGN EXCHANGE

AUDUSD 0.6671 (-0.94%) | DXY 101.177 (+0.31%) | EURUSD 1.1084 (-0.32%)

- Post-NFP risk aversion took hold on Friday and saw the dollar gain +0.31% after August employment growth came in below consensus at 142k while the unemployment rate nudged slightly lower to 4.22% from 4.25%. To our economists, the data seems to refute the idea that weakness in July was a temporary distortion and rather confirms the softening trend that will likely now continue. 86k in downward revisions to the prior two months supports the weakening case, though overall the August report revealed a point of maximum frustration and minimal clarity for the 25 - 50bp cut debate, according to our U.S. rates strategist. We keep our 50bp September cut house call for now, though note Governor Waller seemed to guide toward wanting to see more data before cutting by 50bp rather than 25bp ([Citi](#)). JPY's safe haven traits seemed to trump the dollar's as USDJPY dropped post-NFPs, though overall the pair was little changed since Sydney close as the

decline only served to undo the pre-data ascension. Interestingly, our eTraders saw heightened JPY selling activity in NY hours, possibly suggesting clients were hesitant to chase any perceived JPY safe haven strength ([Citi](#)).

- Inversely, our eTraders saw notable interest to buy the Aussie following the souring in risk sentiment which saw AUD and NZD trade -0.94% and -0.81% lower respectively on Friday. Interestingly however there was a divergence in AUD flow - while overall activity was skewed to better buying, both investors and leveraged clients were selling the Aussie in NY hours on our ePlatform ([Citi](#)).
- The EUR moved -0.32% lower to below 1.11, failing to hold onto its knee jerk jump to 1.1160 following NFPs. Price action remained range bound with no significant flows and focus instead now shifts to next week's ECB where -25bps is priced ([Citi](#)).

COMMODITIES

Gold 2,497.41 (-0.88%) | WTI 67.67 (-2.72%) | Copper 8996.00 (-1.06%) ^

- **Energy:** Oil prices fell on Friday with both Brent (-2.81%) and WTI (-2.72%) posting declines. For the week, Brent declined -10% while the WTI fell -8%. Price declines came despite a withdrawal from US oil inventories and a decision by OPEC+ to delay planned output increases. Weighing on oil prices this week was signals from Libya's rival factions that it could be closer to an agreement to end its dispute that has halted the country's crude exports. Exports remain mostly shut but some loadings have been permitted from storage ([Reuters](#)).
- **Metals:** Metal prices fell on Friday with spot gold down -0.88%. Other metals including silver (-3.38%), Copper (-1.06%), Nickel (-1.15%), Zinc (-0.73%) and Aluminium (-1.51%) also declined. News-wise, China's central bank paused its gold buying for a fourth straight month following 18 consecutive months of buying. China's gold holding stood at 72.8mn fine troy ounces with the value of gold rising to \$182.98bn compared with \$176.64bn at the end of July ([Reuters](#)).

*At time of writing

Source: Bloomberg

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