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Daily Market Overview

September 20, 2023

*****XJO MINI Longs and Shorts – Underlying Contract rolled to S&P ASX 200 Futures Contract (Dec-2023)*****

Overnight Headlines:

- Jerome Powell's sticky problems. The FOMC is all but certain to hold on Wednesday as it weighs data showing CPI and the labor market slowing. But oil poses risks for the desired soft landing, as would a long UAW strike and a potential government shutdown. The chair's comments on whether a November hike is still in play will be closely watched.
- Chinese banks may lower their one-year loan prime rate by 5 bps to 3.40%, catching up with August when their reduction trailed a PBOC rate cut by that amount, Bloomberg Economics said. Consensus is for a hold at 3.45%; all analysts project the five-year LPR to stay at 4.20%. Japan's adjusted trade deficit probably narrowed last month.
- Country Garden leaves bondholders in the dark as interest remains unpaid. The distressed Chinese developer has passed an initial deadline to pay dollar bond interest with holders yet to receive the money, keeping the threat of a first default looming.

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
XJOKOK	\$779,443	Citi Buys	NUFKOB	203,495	Citi Buys
SPFKCU	\$540,500	Citi Sells	NHCKCP	180,432	Citi Sells
CSLKOG	\$319,967	Citi Sells	XJOKOK	131,200	Citi Buys
NHCKCP	\$288,731	Citi Sells	PLSKCG	110,000	Citi Sells
NUFKOD	\$180,456	Citi Buys	SPFKCU	103,000	Citi Sells

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
CXOKOB	0.2988	0.37	\$0.073	19/09/2023	21/09/2023
CHCKCA	8.7319	10	\$1.250	19/09/2023	21/09/2023
NHCKCR	7.4471	6.33	\$1.115	19/09/2023	21/09/2023
JHKKCD	36.7842	42.13	\$5.320	19/09/2023	21/09/2023
NDXKCH	14610 .6468	15300	\$10.660	19/09/2023	21/09/2023

Overnight Summary:

RATES
AUS 3yr 96.08 (-5.0bp) AUS 10yr 95.77 (-6.0bp) US 10yr 4.36 (+5.6bp) Bund 10yr 2.74 (+3.0bp)
<ul style="list-style-type: none"> US Treasuries closed Tuesday cheaper across the curve with underperformance in the belly and back end leading to bear steepening. Early in the session, a significant downside miss to housing starts (1283k vs 1439k exp.) despite strong building permits) went largely ignored; however, Canada's hotter-than-expected inflation data (4.0% vs 3.8 exp.) coupled with rising oil prices saw US five- and 10- year yields rising to their highest levels since 2007. The 5yr yield rose as much as +7bps to 4.52% (closed 4.51%) resulting in 5s30s flattening -2.2bps while the 10y yield rose +5.6bps to steepen 2s10s +2bps to -73. In auctions, the \$13 billion 20-year reopening was awarded at a record high 4.592% vs 4.595% WI yield at the 1pm deadline. Bid-to-cover was 2.74 (higher than 6 reopening average of 2.71) with 9.3% primary dealer takedown with direct bidder award jumping to 25.4%. European bonds had a mixed session, with Gilts outperforming in a bull flattening move and Bunds underperforming in a bear flattening. 2y Bund yields rose 3.02bps, 5y up 3.44bps, 10y increasing 2.99bps, and 30y cheapening 2.27bps. Meanwhile, 2y Gilt yields fell 3.44bps, 5y declined 4.05bps, 10y decreased 4.87bps, and 30y was down 1.67bps. Finally, 2y BTP yields rose 2.11bps, 5y increased 0.89bps, 10y up 0.58bps, and 30y down 0.85bps. This came as the Eurozone saw headline inflation fall to 5.2% YoY (prior and expected at 5.3%) and core remain unchanged and in line with consensus at 5.3% YoY. Money markets maintained their pricing of the BoE going into the meeting, with

22bps priced in, whilst nixing their bets on the peak rate about 2bps to 37bps by February. Meanwhile, 8bps are priced into the peak ECB rate in December.

- Aussie bond futures bear steepened, with 3y yields up 5.0bps and 10y up 6.0bps.

EQUITIES

S&P500 4,443.95 (-0.22%) | Stoxx600 456.52 (-0.04%) | FTSE100 7,660.20 (+0.09%)

- US stocks fell on Tuesday as the Federal Reserve kicked off its two-day monthly meeting, with the recent oil rally prompting investors to add bets to the 'higher for longer' prospect. The S&P ended -0.22% lower, the Dow Jones fell -0.31% and the NASDAQ finished the session down -0.23%. Energy stocks were the biggest laggards of the session, down -0.83%, as Brent and WTI crude pared gains. Healthcare and communication services were the only two S&P industry sub-groups to record a daily increase, up +0.10% and +0.01% respectively.
- European equities finished little changed on Tuesday, as investors refrain from making bets ahead of the upcoming central bank meetings. The Stoxx600 ended the day 4bps lower while the FTSE was 9bps higher. Energy stocks outperformed on the day, up +1.02%. Meanwhile, industrials and tech stocks lagged, down -0.82% and -0.63% respectively. Food delivery stocks such as Deliveroo Plc declined later in the session as rising bond yields placed pressure on growth company stock prices, and ahead of the upcoming IPO of a US competitor, Instacart.

FOREIGN EXCHANGE

AUDUSD 0.6455 (+0.23%) | DXY 105.141 (0.00%) | EURUSD 1.0683 (0.00%)

- The DXY Index was unchanged overnight ahead of the Fed meeting tomorrow morning, where economists and the market are expected a very low probability of a hike, with just 2bps priced into the meeting. In economic releases, housing starts fell below expectations at 1283k (expected at 1439k) and building permits were above consensus estimates at 1543k (estimates at 1440k), leading to a marked decrease in housing starts growth MoM of -11.3% (expected at -0.9%) and building permits growth MoM of 6.9% (expected at -0.2%). Additionally, the release of Canada CPI, with headline at 4.0% (expected at 3.8%) YoY and median core at 4.1% (expected at 3.7%) YoY, saw the DXY index increase 0.32% from its intraday low going into the release and USDCAD declined 0.8%. Meanwhile, USDJPY was up 0.03% to 147.85.
- AUDUSD rose 0.23% and NZDUSD was up 0.12% as the RBA minutes failed to surprise the market on rates pricing.
- EURUSD was unchanged and GBPUSD rose 0.09% following the release of Eurozone CPI, which saw headline inflation fall to 5.2% YoY (prior and expected at 5.3%) and core remain unchanged and in line with consensus at 5.3% YoY.

COMMODITIES

Gold 1,931.34 (-0.07%) | WTI 91.71 (-0.82%) | Copper 8292.00 (-0.80%) ^

- Energy: The hot crude market has become a problem for buyers, weighing on inflation expectations. The viability of sending US WTI crude to Asia has fallen as the benchmark soared. US natural gas rose on lower than expected stockpiles, with HH up +4.1% to \$2.841/ Brent fell -0.3% to \$94.66/bbl and WTI fell -0.82% to \$91.71/bbl.
- Metals: Precious metals fell modestly, with gold down -0.07% to \$1,931.34/oz and silver fell -0.27% to \$23.20/oz. Iron ore, 62% Fines, rose 1.06% to \$121.45, with base metals being mixed. Copper fell -0.8% to \$8,292/tn, nickel rose +0.2% to \$19,919/tn, zinc fell -1.73% to \$2,498/tn and aluminium fell -0.18% to \$2,216/tn.
- Agriculture: Futures were mixed with corn up +1% to \$4.76/bu, soybeans fell just -0.1% to \$13.1525/bu and wheat fell -1.3% to \$5.8375/bu.

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	4,443.95	-9.58	-0.2%	1.7%	15.7%
Nasdaq	13,678.19	-32.05	-0.2%	2.9%	30.7%
Dow Jones	34,517.73	-106.57	-0.3%	0.0%	4.1%
Euro Stoxx 50	4,242.70	-3.18	-0.1%	0.7%	11.8%
FTSE100	7,660.20	7.26	0.1%	5.5%	2.8%
TOPIX	2,430.30	1.92	0.1%	8.6%	28.5%
KOSPI	2,559.21	-15.51	-0.6%	2.2%	14.4%
Shanghai Comp	3,124.96	-0.98	0.0%	-0.2%	1.2%
ASX200 Futures	7,184.00	-16.00	-0.2%	1.3%	2.7%
VIX Index	14.11	0.11			
Foreign Exchange					
DXV	105.1330	-0.05	0.0%	1.7%	1.6%
AUDUSD	0.6456	0.00	0.4%	0.7%	-5.2%
EURUSD	1.0680	0.00	0.0%	-2.0%	-0.2%
GBPUSD	1.2393	0.00	0.1%	-2.8%	2.6%
USDJPY	147.7600	-0.08	-0.1%	-1.0%	-11.3%
USDCHF	0.8977	0.00	-0.1%	-2.1%	3.0%
Fixed Income - 10y					
	%	bps		bps	bps
Aus (Fut.)	4.22%	5.00		-0.50	15.00
United States	4.36%	5.62		10.40	48.30
United Kingdom	4.34%	-4.85		-33.27	67.44
Germany	2.73%	3.00		11.61	17.05
France	3.28%	2.82		11.59	17.24
Italy	4.51%	0.58		19.43	-18.43
Commodities					
WTI Crude	91.20	-0.28	-0.3%	12.2%	13.6%
Brent Crude	94.50	0.07	0.1%	11.4%	10.0%
Copper o/lb	371.40	-2.75	-0.7%	0.2%	-2.5%
Nickel	19,877.00	-47.00	-0.2%	-1.3%	-33.8%
Zinc US\$/mt	2,542.00	21.50	0.9%	10.5%	-14.5%
Aluminium US\$/mt	2,220.00	30.00	1.4%	3.9%	-6.6%
Iron Ore US\$/mt	122.30	0.38	0.3%	14.0%	9.9%
Gold US\$/oz t	1,932.01	1.33	0.1%	2.0%	5.9%
Silver US\$/oz t	23.20	0.03	0.1%	-0.4%	-3.1%
Bitcoin USD	27,158.03	-33.97	-0.1%	3.5%	64.2%
Lithium (ETF)	56.95	-0.63	-1.1%	0.0%	-2.8%
DLCs					
	Last Price	Aud Price			Spread
Rio PLC	5,229.00	100.38	-0.2%	13.7%	18.1%
South 32 - Lon	175.40	3.37	1.3%	-5.4%	1.0%
South 32 - J'burg	4,107.00	3.36	1.4%	-8.5%	1.2%
Janus Henderson	27.70	42.91	0.1%	6.9%	0.0%
Virgin Money	165.20	3.17	0.2%	2.9%	-0.7%
NWS A	19.95	30.90	0.2%	-3.9%	3.5%
ADRs					
	Last Price	Aud Price			Spread
BHP	57.84	44.80	-0.7%	3.7%	0.7%
Rio	65.41	101.32	0.2%	10.2%	17.0%
CSL	85.36	264.44	0.0%	-1.5%	-0.3%
James Hardie	27.34	42.35	-0.7%	-4.0%	-0.6%
ResMed	143.69	22.26	-1.6%	-13.3%	0.9%
Amcor	9.19	14.23	-1.0%	-4.0%	0.9%
Square	49.80	77.14	-2.8%	-12.4%	2.3%

*At time of writing

Source: Bloomberg

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