



## CitiFirst Warrants (Australia)

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# Daily Market Overview

June 14, 2024

### Overnight Headlines:

- Shareholders' approval of Elon Musk's \$56 billion compensation package and Tesla's relocation to Texas marks a significant milestone, alleviating immediate concerns about the company's trajectory. Despite ongoing challenges, Tesla's valuation remains contingent on advancements in artificial intelligence. The vote outcome, shared by Musk on social media, has bolstered investor confidence, leading to a surge in the company's stock price. Final confirmation of the vote's results is anticipated to solidify Tesla's strategic direction moving forward ([BBG](#)).
- Chinese electric vehicle manufacturers confront the imposition of additional tariffs by the European Union, prompting strategic reassessments. Despite this hurdle, these companies possess the flexibility to explore alternative growth avenues, including the establishment of production facilities within Europe. Moreover, robust profit margins enable them to absorb a portion of the tariff impact. Expanding into burgeoning markets like the Middle East, Latin America, and Southeast Asia offers further opportunities for growth amidst evolving trade dynamics ([BBG](#)).
- Allegations surfaced as Democratic Senator Dick Durbin accuses Justice Clarence Thomas of undisclosed trips financed by benefactor Harlan Crow. Disclosures indicate at least three such trips occurring between 2017 and 2021, raising questions about Thomas's transparency and potential conflicts of interest. The revelation comes amid heightened scrutiny over justices' relationships and activities outside the Supreme Court. Further investigation into these undisclosed travels and their implications on judicial impartiality is expected to unfold in the coming days ([Reuters](#)).

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
WESSO2	\$397,831	Citi Buys	PLSKCB	201,060	Citi Buys
NDXKOY	\$308,566	Citi Sells	BOEKOB	175,955	Citi Buys
XJOMCD	\$294,011	Citi Sells	TYRKOC	175,000	Citi Sells
CBAKOZ	\$260,160	Intraday	PLSKOB	67,000	Citi Sells
NDXKOC	\$237,920	Citi Buys	EVNKCA	52,000	Citi Sells

## Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
ZSIKCD	26.4700	29.08	\$0.390	13/06/2024	17/06/2024
IGOKCE	5.1351	6.4	\$1.240	13/06/2024	17/06/2024
SPFKOX	5647.3758	5429	\$3.260	13/06/2024	17/06/2024
ILUKOD	5.6507	6.76	\$1.100	13/06/2024	17/06/2024
NDXKOW	20457.4123	19460	\$14.910	13/06/2024	17/06/2024

## Overnight Summary:

RATES
AUS 3yr 96.16 (+4.6bp)   AUS 10yr 95.84 (+4.1bp)   US 10yr 4.24 (-7.2bp)   Bund 10yr 2.47 (-6.0bp)
<ul style="list-style-type: none"> <li>US treasuries declined following higher than expected initial jobless claims and a lower than expected PPI. The 30y reopening was also strong, pricing aggressively at 4.403% versus 4.418% expected. The 13.7% primary dealer award was the lowest in nearly a year, as indirect award increased to 68.5%, offsetting the drop in direct award to 17.8%; the 2.49 bid cover ratio was the highest in a year. Ending at the lowest levels in two months, 2y treasuries ended -5.49bps lower at 4.697% and the 10y ended -7.18bps lower at 4.244% (<a href="#">BBG</a>).</li> <li>European bonds had a mixed session, with bunds outperforming following US data prints, whilst French and Italian yield premiums surging as French President Emmanuel Macron's approval falling to the lowest since 2018 ahead of voting later this month. The OAT-bund spread widened to 67bps, the most since 2017, whilst the BTP-bund spread widened by +6bps to 145bps. 2y bunds ended -8.16bps lower at 2.868% and the 10y ended at 2.469% (-5.99bps), whilst front-end OATs rallied by -3.06bps to 3.084% and the 10y sold-off by +2.59bps to 3.165%. BTPs sold off across the curve, with the 2y up +1.19bps. Gilts remained steady following the US data, with BOE easing wagers cut by 2bps to 42bps. 2y gilts ended -0.33bps lower at 4.2% WHILE THE 10Y ENDED AT 4.122% (-0.39bps) (<a href="#">BBG</a>).</li> <li>Aussie bond futures bull steepened with the 3y price up +4.6bps and the 10y up +4.1bps.</li> </ul>

## EQUITIES

**S&P500 5,433.74 (+0.23%) | Stoxx600 516.04 (-1.31%) | FTSE100 8,163.67 (-0.63%)**

- U.S. markets gained overnight with the S&P500 and NASDAQ closing at record highs for the fourth day in a row. Data released overnight showed the claims for unemployment benefits increased last week (242k vs 229k the week prior) which combined with a fall in May PPI (-0.2% vs. +0.5% the month prior) provided optimism. The S&P500 gained +0.23%, the Dow slipped -0.17% and the NASDAQ rose +0.34%. Information Technology (+1.36%) was the top performing GICS sector while Communication Services (-0.98%) fell the most. Boosting the Information Technology sector was Broadcom which continued to rise overnight, gaining +12.27% after raising its FY24 revenue expectations by \$1bn to \$51bn. The company also now expects \$11bn in revenue from AI chips in 2024, compared to previous forecasts of \$10bn. The chip manufacturer that supplies Apple and other tech giants with advanced networking chips also announced a 10-for-1 stock split ([Reuters](#)). Also aiding the Information Technology sector was Nvidia which gained a further +3.52%. Paramount Global continued to decline, falling a further -6.92% to the bottom of the S&P500 after discussions around a possible merger with Skydance Media were abruptly called off ([WSJ](#)).
- European markets fell overnight as auto stocks slipped following increased risk of Chinese retaliation to the EU's China EV import tariff. The Stoxx600 tumbled -1.31% while the FTSE100 fell -0.63%. All sectors on the Stoxx600 fell with Financials (-2.13%) leading losses. The FTSE100 had Information Technology (+5.17%) as the top gaining GICS sector while Real Estate (-1.43%) fell the most. Among the stocks affected by possible Chinese tariffs, China-exposed Volvo was the biggest decliner, falling -6.2%. Porsche, Mercedes and BMW fell between -1.7% and -3.7%. Among non-auto stocks, money transfer company Wise fell -11.5% to the bottom of the Stoxx600 after forecasting weaker-than-expected profit which it now sees growing at 15% to 20%, below previous forecasts of 20% to 25% ([Reuters](#)). British health and safety device maker Halma rallied +13.4% to the top of the Stoxx600 and FTSE100 after posting a 10% increase in annual profit and raising its dividend. Annual revenue grew 9.8% to 2.03bn pounds while its dividend increased 7.0% from the prior year to 13.20 pence per share ([Morningstar](#)).

## FOREIGN EXCHANGE

**AUDUSD 0.6637 (-0.20%) | DXY 105.223 (+0.41%) | EURUSD 1.0737 (-0.67%)**

- The dollar traded well (+0.41%) since Sydney's close despite a double dose of dovish inputs from a tick up in job openings as well as a PPI print that should make for a tame PCE feed through. Final PPI demand was down 0.2% while core PPI was flat on the month. The components that matter for PCE within the flat core figure meant our economists have raised their 0.11% tracking for core PCE after CPI yesterday to 0.15%. The main upside surprise in PPI data was a large ~1.1% increase in hospital prices. We continue to watch for increases in goods prices, though the ability of firms to raise consumer prices is likely lower now than over the last few years ([Citi](#)). Part of the increase in claims from 225k to 242k could be temporary and related to education workers, but the trend higher may be sustained as other labour market data and survey anecdotes point to many businesses trying to reduce labour costs ([Citi](#)). USDJPY declined -0.13% ahead of the BoJ today, where expectations are for dovish guidance + trimming in bond purchases by the BoJ, with the main question being "*how fast and by how much?*". Our trader thinks the impact to USDJPY is unlikely to be significant and he maintains near term USDJPY longs. Our sales team agrees, and adds that even though positioning is short JPY, there could be room to add ([Citi](#)). Meanwhile, our FX quants estimate JPY is currently 31% under-valued or 2.1 standard deviations below its fair value ([Citi](#)).

- The Aussie and Kiwi declined -0.20% and -0.05% respectively since yesterday's Sydney close. The softening in both pairs continues an unwind of post-CPI moves, with both AUD and NZD now only marginally higher than where we were before the inflation data. In the New York session we noted particular AUD buying across all client segments while leveraged names sold NZD ([Citi](#)).
- The EUR softened -0.67% to 1.0737, although our traders continue to hold EURUSD longs. The pair remains firmly in a range, with opposing dynamics and flow. HF clients have been quick to establish downside EURUSD exposure looking for increased French political risk, whilst there remains plenty of room for them to add to this exposure and should the political risk increase, RM will cut their longs, potentially pushing EURUSD to downside support levels found at 1.0610 and 1.07. Soft US data and EU corporate clients however should cap any dollar rally, and as such trading like to add further towards 1.0720/40 and lighten up on a break of 1.09 ([Citi](#)) The pound moved -0.20% lower.

#### COMMODITIES

Gold 2,304.21 (-0.49%) | WTI 77.95 (-0.41%) | Copper 9794.00 (-1.51%) ^

- **Energy:** Oil prices dipped slightly due to concerns about U.S. economic growth and an ample global supply of crude oil. This comes despite OPEC's forecast of robust future demand ([Reuters](#)). OPEC's Secretary-General dismissed the notion of a peak in oil demand, projecting continued growth long-term despite alternative energy trends ([Reuters](#)). Russian President Putin has extended measures against the global oil price cap until the end of 2024, continuing the economic standoff over energy prices ([Reuters](#)).
- **Metals:** Gold prices dipped nearly 1% due to a hawkish stance from the Federal Reserve and a strong US dollar, making the non-yielding bullion less attractive compared to yield-bearing assets ([FXStreet](#)).
- **Agriculture:** The U.S. faces heightened human health risks if the bird flu continues to spread among poultry, prompting efforts to develop a vaccine ([Reuters](#)). French spirits exports have declined sharply, exacerbated by worsening trade conflicts that impact agricultural commodities, including those used in spirit production ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
<b>Equities</b>					
S&P 500	5,433.74	12.71	0.2%	4.1%	13.9%
Nasdaq	17,667.56	59.12	0.3%	7.8%	17.7%
Dow Jones	38,647.10	-65.11	-0.2%	-2.0%	2.5%
Euro Stoxx 50	4,935.50	-98.93	-2.0%	-2.8%	9.2%
FTSE100	8,163.67	-51.81	-0.6%	-3.0%	5.6%
TOPIX	2,731.78	-24.66	-0.9%	0.0%	15.4%
KOSPI	2,754.89	26.72	1.0%	0.9%	3.8%
Shanghai Comp	3,028.92	-8.55	-0.3%	-3.7%	1.8%
ASX200 Futures	7,749.00	-8.00	-0.1%	-0.2%	2.2%
VIX Index	11.94	-0.10			
<b>Foreign Exchange</b>					
DXY	105.2130	0.37	0.4%	0.0%	3.8%
AUDUSD	0.6636	0.00	-0.1%	0.1%	-2.6%
EURUSD	1.0740	-0.01	-0.6%	-0.7%	-2.7%
GBPUSD	1.2761	0.00	-0.1%	1.3%	0.2%
USDJPY	157.0000	-0.16	-0.1%	-0.4%	-10.2%
USDCHE	0.8938	0.00	-0.2%	1.4%	-5.9%
<b>Fixed Income - 10y</b>					
	%	bps		bps	bps
Aus (Fut.)	4.16%	-4.30		-17.70	19.30
United States	4.24%	-7.20		-19.52	36.52
United Kingdom	4.12%	-0.42		-5.02	59.23
Germany	2.47%	-5.88		-7.77	44.77
France	3.16%	2.58		12.99	60.72
Italy	3.93%	1.71		4.94	24.54
<b>Commodities</b>					
WTI Crude	78.62	0.12	0.2%	-0.6%	9.7%
Brent Crude	82.18	-0.42	-0.5%	-1.4%	6.7%
Copper c/lb	448.15	-8.55	-1.8%	-6.7%	15.2%
Nickel	18,061.00	243.00	1.4%	-4.7%	8.8%
Zinc US\$/mt	2,894.00	123.00	4.4%	-1.2%	8.9%
Aluminium US\$/mt	2,575.50	42.00	1.7%	1.8%	8.0%
Iron Ore US\$/mt	107.60	0.62	0.6%	-7.3%	-21.1%
Gold US\$/oz t	2,304.21	-11.44	-0.5%	-1.4%	11.7%
Silver US\$/oz t	28.97	-0.39	-1.3%	2.7%	21.7%
Bitcoin USD	66,775.26	98.50	0.1%	8.4%	57.1%
Lithium (ETF)	41.40	-0.95	-2.2%	-8.3%	-18.7%
<b>DLCs</b>					
	Last Price	Aud Price			Spread
Rio PLC	5,236.00	100.68	-0.2%	-5.9%	19.8%
South 32 - Lon	189.40	3.64	-1.0%	-0.8%	-0.1%
South 32 - J'burg	4,486.00	3.67	-1.6%	1.3%	-0.7%
Virgin Money	213.80	4.11	-0.1%	-0.6%	-0.3%
NWS A	27.19	40.97	-1.3%	6.8%	3.5%
<b>ADRs</b>					
	Last Price	Aud Price			Spread
BHP	57.35	43.21	-0.1%	0.3%	0.0%
Rio	66.92	100.84	-0.2%	-4.2%	19.6%
CSL	95.33	287.31	0.6%	3.5%	0.2%
James Hardie	31.85	48.00	0.0%	-12.5%	0.5%
ResMed	212.38	32.00	0.7%	-2.5%	-0.3%
Amcor	10.04	15.13	-0.1%	-3.2%	-0.3%
Square	62.36	93.97	-3.5%	-10.6%	4.4%

\*At time of writing

Source: Bloomberg

## CitiFirst Warrants

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