



CitiFirst Warrants (Australia)

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Daily Market Overview

October 2, 2024

Overnight Headlines:

- Israel announced that it intercepted many of over 100 ballistic missiles launched by Iran in a recent attack, marking a significant escalation in hostilities between the two nations. This strike is the second direct assault from Tehran this year, and while there were hits reported in southern and central Israel, there are no known injuries. Following the attack, Brent crude oil prices briefly spiked above \$75 per barrel but are currently trading below \$74 ([BBG](#)).
- Samsung Electronics is initiating layoffs across Southeast Asia, Australia, and New Zealand as part of a plan to reduce its global workforce by thousands. Reports suggest that the cuts could affect up to 10% of employees in these regions, though exact numbers may vary by subsidiary. The company faces difficulties in the AI market, prompting these workforce reductions, which are expected to extend to additional overseas branches in the coming months ([BBG](#)).
- India's securities regulator, SEBI, has implemented new restrictions aimed at curbing excessive trading in stock derivatives, following a significant increase in retail participation. Key measures include limiting weekly options contracts to one per exchange, requiring upfront premium collection from traders, and increasing the minimum contract size to 1.5 million rupees. These steps are intended to stabilize the equity derivatives market, which has seen a dramatic rise in speculative trading since February ([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
XJOKCA	\$294,874	Citi Sells	FMGKCC	80,400	Citi Buys
XJOKCC	\$286,100	Citi Sells	GMDJOA	70,028	Citi Buys
FMGKCC	\$251,001	Citi Buys	VAUKOA	54,144	Citi Sells
XJOMCT	\$217,397	Citi Buys	XJOKCA	53,056	Intraday
CBAMOB	\$192,970	Citi Sells	ZCLKOD	46,525	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
ANZKCG	27.0101	30.25	\$3.230	1/10/2024	3/10/2024

Overnight Summary:

RATES	
AUS 3yr 96.55 (+4.0bp) AUS 10yr 96.05 (+5.5bp) US 10yr 3.73 (-4.9bp) Bund 10yr 2.04 (-8.7bp)	
<ul style="list-style-type: none"> US: US treasuries advanced, in line with euro-area peers after euro-area inflation slowed below the ECB's 2% target for the first time since 2021. The rally was extended on safe haven demand after the Iranian missile attack, before being unwound after Israel said many missiles were intercepted and caused no known casualties. Fed dated OIS priced 34bps of cuts for the November meeting and a combined 70bps to year end. US data saw JOLTS openings rising to 8.04mil in August, stronger than expected, though the total hiring rate fell to a low 3.3% rate, whilst ISM manufacturing was unchanged in September at 47.2 but all key sub-indices remained in contraction. 2y treasuries ended -3.68bps lower to 3.604% and the 10y ended -4.94bps lower to 3.732% (BBG, Citi) EU: European bonds advanced on euro-area inflation printing at 1.8%, dipping below the ECB's 2% target. Safe haven buying saw outperformance in German bonds, seeing 2y bunds -4.76bps lower to 2.016% and the 10y -8.73bps lower to 2.035%. BTPs followed suit, with the 10y down -8.49bps to 3.366%. French bonds outperformed, with the 2y down -7.1bps to 2.23% and the 10y down -10bps to 2.816% after Prime Minister Michel Barnier committed to cutting spending and raising taxes, leaving the OAT-bund spread tighter at 78bps. ECB rate cut wagers remain steady for October at 22bps, whilst the December rate cut wagers sit at 54bps, 2bps more than Monday's close and the most since August 6. 2y gilts ended -2.76bps lower to 3.951% and the 10y ended -6.28bps lower to 3.939% (BBG). 	

- **AU:** Aussie bond futures bull flattened with the 3y price up +4bps and the 10y price up +5.5bps.

EQUITIES

S&P500 5,708.75 (-0.93%) | Stoxx600 520.88 (-0.38%) | FTSE100 8,276.65 (+0.48%)

- US equities ended lower overnight amid growing investor caution following Iran's missile strike on Israel. On the S&P500, losses were led by the Information Technology (-2.66%) sector while a rising oil price saw Energy (+2.23%) the top performing GICS sector. Amid strong oil prices, shares of APA (+4.91%) and Exxon Mobil (+2.31%) and gained. The rising tension in the Middle East also saw defence names including Lockheed Martin (+3.64%) and Northrop Grumman (+2.99%) gain. Boeing (+1.43%) rose amid reports the plane maker is considering raising at least \$10bn through a stock issue as it works to replenish cash reserves amid its ongoing strike ([BBG](#)). FedEx (-1.51%) and United Postal Services (-2.25%) both fell after gaining on Monday in anticipation of the east coast port strike.
- European shares also tracked lower overnight on growing geopolitical risks in the Middle East. The Stoxx600 fell -0.38% with Consumer Discretionary (-1.49%) the weakest GICS sector while Energy (+1.63%) outperformed on stronger oil prices. Defence names were also higher in Europe with Rheinmetall (+5.06%) and Saab (+3.54%) both advancing. Energy names including BP (+2.37%) and Shell (+1.88%) were also stronger on a higher oil price. Covestro (+3.79%) rose after Abu Dhabi National Oil Company announced a deal to acquire the chemicals maker for 14.7bn euros. The deal is one of the largest foreign takeovers by a Gulf state as countries in the region seek to reduce their dependence on oil amid the global switch to cleaner energy ([BBG](#)). Maersk (-4.88%) fell to reverse yesterday's gain following the east coast port strike in the US.

FOREIGN EXCHANGE

AUDUSD 0.6883 (-0.39%) | DXY 101.208 (+0.29%) | EURUSD 1.1069 (-0.46%)

- The dollar firmed +0.29% in a broad flock to safety overnight as Iran fired missiles at Israel. While there is some risk of another missile strike, our traders think the global flee to safety was overdone in NY. Meanwhile, JOLTS job openings likely contributed to upward pressure on the USD, rebounding to 8040k in August from an upwardly revised 7711k in July, stronger than consensus at 7673k and Citi at 7780k. The total hiring rate fell to a low 3.3% rate, and the quits rate fell sharply to 1.9% from 2.1% prior. The layoff rate remained low however, at 1.0%, though these details when combined look to be pointing to further labour market weakening, according to our economists ([Citi](#)). ISM manufacturing was unchanged, though key sub-indices remained in contraction. Employment anecdotes in the report showed respondents' companies are continuing to reduce head counts through layoffs, attrition and hiring freezes ([Citi](#)). The yen was the lone G10 outperformer overnight given its haven status, up +0.29% to 143.59 with our eTraders seeing JPY inflows between 07:00 EDT and 12:00 EDT.
- Both the Aussie and Kiwi were hit by the night's flight to safety, with the two down -0.39% and -0.54% respectively. Interestingly, our eTraders saw AUD

buying on above average volumes in NY hours, suggesting clients may be buying the dip in the Aussie ([Citi](#)).

- Soft EZ inflation + the general flight to safety saw EURUSD pushed lower from two directions overnight, down -0.46%. Headline HICP inflation declined below 2% for the first time since 2021, at 1.8% in September, while the core figure also eased to 2.7% YY from 2.8% YY in Aug. Overall, the September inflation data are surely softer than the profile embedded in the ECB Staff forecasts, but broadly in line with our and market expectations going into CPI releases last week. In her EP testimony, President Lagarde Strongly hinted at an October cut: “the latest developments strengthen our confidence that inflation will return to target in a timely manner. We will take that into account in our next monetary policy meeting in October.” ([Citi](#)). The pound declined by -0.43%.

COMMODITIES

Gold 2,663.48 (+0.78%) | WTI 70.78 (+4.56%) | Copper 9979.00 (+1.53%) ^

- Metals: Gold prices jumped over 1% on Tuesday on safe-haven demand as fears of a full-out war in the Middle East escalated after Iran fired ballistic missiles at Israel ([Reuters](#)). Spot gold was up at \$2,661 per ounce as of 5:53AM AEST, following last Thursday's all-time high of \$2,685.42. Spot silver also rose to ~\$31.39/oz.
- Energy: Oil prices climbed about 3% on Tuesday after Iran fired a salvo of ballistic missiles at Israel in retaliation for Israel's campaign against Tehran's Hezbollah allies in Lebanon. Brent futures gained \$1.86, or 2.6%, to settle at \$73.56 a barrel, while WTI crude rose \$1.66, or 2.4%, to settle at \$69.83. Earlier in the day, both crude benchmarks were up by over 5%. Alarms sounded across Israel, and explosions could be heard in Jerusalem and the Jordan River valley after Israelis piled into bomb shelters. In the Red Sea, another Iran-backed group, the Houthis in Yemen, claimed responsibility for attacking at least one of two vessels damaged off the port of Hodeidah. The Houthis have launched attacks on international shipping near Yemen since last November in solidarity with the Palestinians in the war between Israel and Hamas in the Gaza Strip ([Reuters](#)).
- Agriculture: A major UN-backed report found that the volume of traceable cocoa in Ivory Coast and Ghana did not increase last year, raising concerns about compliance with a new EU law banning the import of commodities linked to deforestation. Effective next year, the law mandates importers to prove their products were not grown on deforested land by tracing supply chains down to the plot where raw materials were sourced ([Reuters](#)).
- Climate: Swiss glaciers melted at an above-average rate in 2024 due to a blistering hot summer that thawed through abundant snowfall, according to monitoring body GLAMOS. Earlier hopes for stabilisation or reversal of glacier declines were dashed despite heavy winter and spring snowfall in the Alps ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,708.75	-53.73	-0.9%	1.1%	19.7%
Nasdaq	17,910.36	-278.81	-1.5%	1.1%	19.3%
Dow Jones	42,156.97	-173.18	-0.4%	1.4%	11.9%
Euro Stoxx 50	4,954.15	-46.30	-0.9%	-0.1%	9.6%
FTSE100	8,276.65	39.70	0.5%	-1.2%	7.0%
TOPIX	2,690.78	44.84	1.7%	-0.9%	13.7%
KOSPI	2,593.27	-56.51	-2.1%	-3.0%	-2.3%
Shanghai Comp	3,336.50	248.97	8.1%	17.4%	12.2%
ASX200 Futures	8,252.00	0.00	0.0%	2.3%	8.8%
VIX Index	19.26	2.53			
Foreign Exchange					
DXY	101.2130	0.38	0.4%	-0.5%	-0.1%
AUDUSD	0.6884	0.00	-0.6%	1.4%	1.1%
EURUSD	1.1070	-0.01	-0.6%	0.0%	0.3%
GBPUSD	1.3285	-0.01	-0.6%	1.1%	4.4%
USDJPY	143.5400	-0.81	-0.6%	2.4%	-1.7%
USDCHF	0.8464	0.00	0.0%	0.6%	-0.6%
Fixed Income - 10y	%	bps		bps	bps
Aus (Fut.)	3.96%	-5.00		-6.50	-1.00
United States	3.73%	-5.51		-17.76	-15.32
United Kingdom	3.94%	-6.29		-11.38	40.95
Germany	2.03%	-8.75		-30.13	1.30
France	2.81%	-10.02		-22.10	25.93
Italy	3.36%	-8.50		-40.73	-32.46
Commodities					
WTI Crude	70.64	2.47	3.6%	-4.0%	-1.4%
Brent Crude	74.28	2.58	3.6%	-5.7%	-3.6%
Copper c/lb	458.00	2.70	0.6%	10.5%	17.7%
Nickel	17,514.00	518.00	3.0%	4.5%	5.5%
Zinc US\$/mt	3,091.00	1.50	0.0%	6.7%	16.3%
Aluminium US\$/mt	2,611.50	-35.00	-1.3%	6.7%	9.5%
Iron Ore US\$/mt	108.95	0.71	0.7%	12.8%	-20.1%
Gold US\$/oz t	2,663.04	17.57	0.7%	6.5%	29.1%
Silver US\$/oz t	31.41	-0.06	-0.2%	10.0%	32.0%
Bitcoin USD	60,791.61	-2,993.48	-4.7%	4.1%	43.0%
Lithium (ETF)	44.11	0.52	1.2%	16.4%	-13.4%
DLCs	Last Price	Aud Price			Spread
Rio PLC	5,298.00	102.25	0.0%	11.1%	23.0%
South 32 - Lon	189.00	3.65	-0.6%	18.1%	0.6%
South 32 - J'burg	4,343.00	3.63	-0.7%	16.4%	1.2%
Virgin Money	217.60	4.20	#VALUE!	0.8%	#VALUE!
NWS A	26.41	38.36	-0.8%	-6.8%	5.5%
ADRs	Last Price	Aud Price			Spread
BHP	62.39	45.32	0.5%	13.2%	-1.5%
Rio	71.16	103.37	0.0%	12.5%	21.6%
CSL	99.54	289.19	0.8%	-4.5%	-0.3%
James Hardie	38.63	56.12	-3.8%	3.3%	0.5%
ResMed	238.75	34.68	-2.2%	-2.6%	-0.8%
Amcor	11.32	16.44	-0.1%	-1.0%	-0.8%
Square	65.94	95.79	-1.8%	-0.2%	0.5%

*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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