



CitiFirst Warrants (Australia)

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Daily Market Overview

May 20, 2024

Overnight Headlines:

- An Iranian official disclosed that a helicopter carrying President Ebrahim Raisi and his foreign minister crashed in heavy fog, prompting a challenging rescue operation. Though there's hope, concerns arise as the crash occurred while returning from a border visit. Iranian Supreme Leader Ali Khamenei assured continuity in state affairs. Bad weather hindered rescue efforts. Iran's army and Revolutionary Guards mobilized for search and rescue ([Reuters](#)).
- Saudi Crown Prince Mohammed bin Salman and White House National Security Adviser Jake Sullivan discussed a near-finalized deal between their nations, focusing on security guarantees and nuclear assistance. Efforts for a broader Middle East agreement, including Israel-Saudi normalization, continue. The leaders also addressed the two-state solution for Israel-Palestine, halting the Gaza conflict, and aiding humanitarian efforts. Sullivan's visit to Saudi Arabia and Israel underscores U.S. engagement in regional stability ([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 Warrants by Value and Volume From Last Trading Day:

Warrant Code	Value	Citi	Warrant Code	Volume	Citi
CBAKCT	\$350,696	Citi Buys	BHPWOB	750,000	Citi Buys
FXYKCP	\$319,500	Citi Buys	GPTJOA	200,000	Citi Sells

GPTJOA	\$306,500	Citi Buys	LTRJOB	98,500	Citi Sells
XJOMOS	\$256,763	Citi Sells	BOQJOD	75,000	Citi Buys
XJOKOB	\$246,175	Citi Sells	FXYKCP	75,000	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
MINKOP	98.0693	78.44	\$19.5	17/05/2024	21/05/2024
NWHKOB	2.3388	2.68	\$0.34	17/05/2024	21/05/2024

Overnight Summary:

RATES	
AUS 3yr 96.14 (-2.0bp) AUS 10yr 95.75 (-3.5bp) US 10yr 4.42 (+4.5bp) Bund 10yr 2.52 (+5.5bp)	
<ul style="list-style-type: none"> US bonds declined, with rate cut pricing being pushed back further, unwinding previous advances. Early weakness came from a selloff in bunds, following ECB policymaker Isabel Schnabel warning against back to back cuts. WTI futures pushed higher in the afternoon, pushing Treasury yields to the cheapest by the close. By end of day, Fed dated swaps were pricing in 41bps of cuts by year end, compared to 50bps of pricing after Wednesday's CPI data. 10y treasuries led the selloff with 10y yields up +4.49bps and the 2y yield up +2.92bps (BBG). European bonds declined, led by the belly, following policymakers refraining to comment of the pace and schedule of this year's rate cuts. Isabel Schnabel warned against back to back rate cuts whilst Luis de Guindos commented that data dependency is the correct approach. Traders pared back rate cut bets with 23bps of easing in June and 28bps in July, tightening the spread between the pair to -5bps compared to -8bps on May 3. Bunds bear flattened with the 2y up +6bps to 2.983% whilst the 10y sold-off by 5.55%. BTPs similarly sold-off across the curve led narrowly by the front-end with the 2y up +5.91bps to 3.456%, keeping the BTP-bund spread steady at 130bps. BOE rate cut bets are also pared back by 3bps, pricing 12.5bps of easing in June and 55bps this year ahead of UK April inflation numbers this coming week. 10y gilts led declined, up +4.82bps to 4.126% and the 2y ended up +3.48bps to 4.3% (BBG). Aussie bond futures bear steepened with the 2y price down -2bps and the 10y price down -3.5bps. 	
EQUITIES	
S&P500 5,303.27 (+0.12%) Stoxx600 522.94 (-0.13%) FTSE100 8,420.26 (-0.22%)	
<ul style="list-style-type: none"> U.S. markets had a mixed session on Friday with the Dow Jones closing above 40,000 for the first time after gaining +0.34% over the day. The S&P500 also gained, up +0.12% while the NASDAQ slipped -0.07%. Energy was the top performing GICS sector on the S&P500, up +1.36% while Information Technology was the worst down -0.48%. Reddit rose +10% with the social media platform announcing a partnership with OpenAI to bring ChatGPT to the platform (Reuters). Advanced Micro Devices gained +1.1% after 	

announcing a partnership with Microsoft that will see its cloud computing customers gain access to a platform of AMD AI chips ([Reuters](#)). Paramount Global continued to fall, losing -4.91% on Friday, after reports Sony is rethinking its bid for the company. A CNBC report said the likelihood of Sony making a bid is fading and noted that Sony had not signed an NDA, an agreement that would indicate the commencement of due diligence ([Reuters](#)). GameStop continued to decline, falling ~20% on Friday after a continued sell-down following its rally early last week triggered by a post on X.com from user Roaring Kitty. The company also said it expects 1Q net sales to drop from the year prior, adding further downward pressure on the stock. 1Q sales is expected to be in the range of \$872mn to \$892mn, down from \$1.237bn a year ago ([Reuters](#)).

- Both major European indexes closed lower on Friday with the Stoxx600 falling -0.13% and the FTSE100 falling -0.22% as markets look to UK inflation data out this week. The Stoxx600 had Materials as the top performing GICS sector up +0.48% while Utilities fell the most, down -0.87%. The FTSE100 also had Materials as the top sector, up +1.44% while Real Estate led losses, down -1.79%. Speciality chemical manufacturer Azelis lost -11.71% following a sell down from major shareholders EQT Partners and PSP Investments ([Reuters](#)). Luxury goods company Richemont gained +5.31% after publishing strong 4Q results. Despite sales of 4.80bn euros falling from 4.87bn euros a year prior, the company noted strong results in Japan and the Americas offset losses in Asia Pacific, which saw a -16% drop in sales. The drop in Asia sales reflected continued low demand for luxury purchases among Chinese consumers ([Reuters](#)). Dragging down the Real Estate sector on the FTSE100 was Land Securities group which fell -2.6% after posting an annual pre-tax loss of 341mn pounds. The loss reflected a 6% write-down in portfolio valuation with elevated interest rates weighing on the valuation of its property portfolio ([Reuters](#)).

FOREIGN EXCHANGE

AUDUSD 0.6693 (+0.30%) | DXY 104.445 (-0.10%) | EURUSD 1.0869 (+0.02%)

- The DXY declined -0.10% on Friday, closing below the psychological 105 support level at 104.445. US yields are the biggest short term driver and will likely be especially sensitive to FedSpeak/Minutes this week. The meeting minutes are likely to repeat that policy rates are restrictive at current levels and will be held there until Fed officials gain more confidence that inflation is slowing to 2% ([Citi](#)). Comments about soft April CPI and retail sales are key, especially if they are from Waller and/or Jefferson. Higher US yields on Friday didn't move USDJPY from ~155.65 ([Citi](#)).
- The Aussie advanced +0.30% while the Kiwi was up +0.21% Friday to be the best G10 performer of the week. The latest RBA meeting fell short of hawkish expectations, while recent labour market data missed to the downside. ([Citi](#)).
- EURUSD was little changed ~1.0870 on Friday, although finished up for a fifth straight week. ECB executive board member Isabel Schnabel warned against consecutive June and July rate cuts, stating "Based on current data, a rate cut in July does not seem warranted" ([BBG](#)). The pound rose +0.26% to 1.2701.

COMMODITIES

Gold 2,415.22 (+1.20%) | WTI 80.06 (+0.71%) | Copper 10668.00 (+2.34%) ^

- **Energy:** Oil prices rose modestly last week, driven by stronger demand signals and geopolitical tensions affecting supply dynamics. WTI was trading 0.71% higher at around \$80.06/bbl ([Reuters](#)).
- **Metals:** Gold continued its upward trajectory for a second consecutive week, bolstered by expectations of Fed rate cuts which enhance the appeal of non-yielding assets like gold.

Gold currently trades at \$2,415.22/oz ([Reuters](#)). Silver soared, advancing 5.49% to \$31.49/oz, marking a significant rise influenced by both stimulus expectations in China and a bullish outlook from analysts who believe this is just the start of its upward movement ([Kitco](#)). Platinum rose 2.3% to \$1,081.37, reaching a year-high, while palladium increased 1.2% to \$1,007 amid sustained market deficits ([FXStreet](#)). In base metals, copper rose 2.34% and Nickel rose 6.48%.

- **Agriculture:** Cocoa prices dropped due to favourable weather forecasts in major growing regions. Meanwhile, Brazil is grappling with historic flooding, posing serious consequences for agricultural production and supply chains well into the next season ([BBG](#)).

*At time of writing

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,303.27	6.17	0.1%	6.8%	11.2%
Nasdaq	16,685.97	-12.35	-0.1%	9.2%	11.2%
Dow Jones	40,003.59	134.21	0.3%	5.3%	6.1%
Euro Stoxx 50	5,064.14	-8.31	-0.2%	3.0%	12.0%
FTSE100	8,420.26	-18.39	-0.2%	6.6%	8.9%
TOPIX	2,745.62	8.08	0.3%	4.5%	16.0%
KOSPI	2,724.62	-28.38	-1.0%	5.1%	2.6%
Shanghai Comp	3,154.03	31.63	1.0%	2.9%	6.0%
ASX200 Futures	7,876.00	35.00	0.4%	3.7%	3.8%
VIX Index	11.99	-0.43			
Foreign Exchange					
DXY	104.4450	-0.12	-0.1%	-1.4%	3.1%
AUDUSD	0.6693	0.00	0.4%	3.8%	-1.7%
EURUSD	1.0868	0.00	0.0%	2.0%	-1.5%
GBPUSD	1.2696	0.00	0.3%	2.8%	-0.3%
USDJPY	155.6600	0.01	0.0%	-0.5%	-9.4%
USDCHF	0.9085	0.00	0.2%	0.4%	-7.4%
Fixed Income - 10y					
	%	bps		bps	bps
Aus (Fut.)	4.26%	3.50		-1.00	29.00
United States	4.42%	4.58		-19.99	54.18
United Kingdom	4.13%	4.81		-10.26	59.66
Germany	2.51%	5.56		1.58	49.30
France	2.99%	5.36		-1.93	43.31
Italy	3.80%	5.22		-11.91	11.88
Commodities					
WTI Crude	80.06	0.83	1.0%	-3.2%	11.7%
Brent Crude	83.98	0.71	0.9%	-3.8%	9.0%
Copper c/lb	505.70	16.50	3.4%	16.5%	30.0%
Nickel	21,080.00	1,283.00	6.5%	15.6%	27.0%
Zinc US\$/mt	3,031.00	71.00	2.4%	6.8%	14.0%
Aluminium US\$/mt	2,612.00	25.50	1.0%	1.0%	9.6%
Iron Ore US\$/mt	117.25	0.04	0.0%	5.7%	-14.0%
Gold US\$/oz t	2,415.22	29.21	1.2%	2.3%	17.1%
Silver US\$/oz t	31.49	1.76	5.6%	11.6%	32.3%
Bitcoin USD	66,116.41	-40.04	-0.1%	2.1%	55.5%
Lithium (ETF)	45.80	0.66	1.5%	8.0%	-10.1%
DLCs					
	Last Price	Aud Price			Spread
Rio PLC	5,785.00	109.73	2.4%	7.5%	20.4%
South 32 - Lon	199.50	3.78	1.7%	18.5%	-0.6%
South 32 - J'burg	4,577.00	3.76	0.7%	13.0%	-0.1%
Virgin Money	214.60	4.07	0.1%	0.2%	-0.5%
NWS A	26.29	39.28	0.0%	9.5%	3.1%
ADRs					
	Last Price	Aud Price			Spread
BHP	61.47	45.92	2.4%	5.8%	-2.2%
Rio	73.61	109.98	2.4%	9.9%	20.2%
CSL	94.01	280.92	-1.3%	8.3%	-0.3%
James Hardie	36.76	54.92	-1.5%	7.4%	-0.2%
ResMed	218.57	32.66	-0.6%	22.2%	0.8%
Amcor	10.27	15.34	-0.9%	14.5%	0.8%
Square	72.26	107.96	0.7%	2.6%	-0.6%

Source: Bloomberg

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