



## CitiFirst Warrants (Australia)

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# Daily Market Overview

March 19, 2024

### Overnight Headlines:

- Apple is reportedly in talks with Google to use their AI tool, Gemini, to power iPhone AI features. The report claims that though details have not been sorted, licensing Gemini is in conversations and is unlikely to be officially announced until June, Apple's annual conference ([BBG](#)).
- Donald Trump's efforts to secure a bond to cover a \$454mil judgment in a New York civil fraud case has been rejected by 30 surety companies, his lawyers said on Monday, inching him closer to the possibility of having his properties seized. The former president must either post a bond or pay the sum out of pocket to hold out the seizure of assets by the states. This comes following a judgement against him on Feb 16 for misstating property values to dupe lenders and insurers ([Reuters](#)).
- European start-ups are turning to more complex debt structures following cash drying up in the area. Convertible issuance in Europe hit a record high last year at \$2.5bn compared to \$1.7bn in 2022. These deals create more upside as well as risk for the start-ups ([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
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<b>XJOKOW</b>	\$1,173,734	Citi Buys	<b>PDNKOP</b>	260,000	Citi Buys
<b>XJOMOQ</b>	\$442,160	Citi Buys	<b>PLSKCB</b>	116,000	Citi Sells
<b>NDXKOU</b>	\$380,348	Citi Buys	<b>QANIOE</b>	115,000	Citi Sells
<b>NDXKOV</b>	\$247,110	Citi Buys	<b>PDNKOA</b>	100,000	Citi Buys
<b>QANIOE</b>	\$224,000	Intraday	<b>PLSKOP</b>	60,000	Citi Sells

### Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
<b>CXOKCC</b>	0.1333	0.16	\$0.026	18/03/2024	20/03/2024

### Overnight Summary:

RATES
<b>AUS 3yr 96.30 (0.0bp)   AUS 10yr 95.85 (-2.5bp)   US 10yr 4.33 (+2.6bp)   Bund 10yr 2.46 (+1.7bp)</b>
<ul style="list-style-type: none"> <li>US treasuries declined ahead of the Fed meeting later this week from 19-20 March. 10y yields ended at the highest since November as the market does not expect any rate change but rather, traders wait on the policymakers' updated economic forecasts and dot point projections. With the BOJ meeting on Tuesday as well, the potential for their ending of ultra-loose monetary policy may also see Japanese banks changing their long US treasuries positions to rebalance back into Japan. 2y yields sold off by +0.64bps to 4.734% whilst 10y yields sold off +2.59bps to 4.332% (<a href="#">BBG</a>). Treasuries underperformed bonds and especially Gilts (UK-US 10yr spread 4bp tighter) with the NAHB topside beat rising 3 points, better than forecast, appearing to have little impact (<a href="#">Citi</a>).</li> <li>European bonds saw mixed movement ahead of a slew of central bank meetings this week, with focus on the Fed expected to make no rate change on Wednesday, BOJ expected to potentially end their negative interest rate policy on Tuesday and the Bank of England expected to hold rates on Thursday. Traders also looked to Belgian debt sales and bond issuance from Iceland, EU and Italy. 2y bonds sold off by +0.45bps to 2.947% while 10y yields underperformed by +1.76bps to 2.468%. The BTP-bund spread tightened by 4bps as markets put aside concerns around Italy's budget deficit and took bets that a resilient economy will control the critical debt-to-GDP ratio. BTPs bull steepened with the 2y rallying -2.33bps to 3.416% and the 10y rallying -1.83bps to 3.677%. Key economic data are due later in the week including Purchasing Managers' Indexes from the euro area, the UK and the U.S. German Ifo and ZEW research institutes will also issue economic forecasts and the investor morale index. Gilts also bull steepened ahead of UK CPI numbers, BOE decision and Tuesday's sale of 20y bonds, with the 2y rallying by -2.57bps to 4.291% and the 10y rallying by -1.01bps to 4.089% (<a href="#">BBG</a>).</li> <li>Aussie bond futures bear steepened overnight with the 3y remaining unchanged and the 10y up +2.5bps.</li> </ul>
EQUITIES

**S&P500 5157.65 (+0.80%) | Stoxx600 503.94 (-0.09%) | FTSE100 7,723 (-0.06%)**

- U.S. markets had a positive session overnight fuelled by a rally in megacap growth stocks. The S&P500 is up +0.8%, the Dow Jones is up +0.17% and the NASDAQ is up +0.79% at the time of writing. On the S&P500, all but two sectors are currently trading in the green with Communication Services leading up +2.95%. Health Care was down just -0.02%. Shares in the Magnificent Seven stocks saw positive movement with Alphabet, Apple and Tesla all rising overnight. Google parent company Alphabet gained +4.8% following a media report that Apple was in talks to incorporate Google's Gemini AI engine into the iPhone. The deal has the potential to expand Google's AI service to more than 2 billion Apple devices. Apple stock was up +2.5% on the news ([Reuters](#)). Tesla climbed +6.4% as the electric vehicle manufacturer said it would increase Model Y prices in some European countries ([Reuters](#)). Super Micro Computer lost -6.6% as the stock became included on the S&P500. The company, which manufactures and sells servers that use Nvidia chips, is still up +245% year-to-date following a meteoric rise last year as a result of surging interest in AI ([Reuters](#)).
- European markets finished their day in the red overnight with investors staying cautious ahead of a week of data prints and central bank policy decisions. The Stoxx600 finished down -0.09% while the FTSE100 closed down -0.06%. The Stoxx600 had Real Estate as the best performing sector up +0.66% while Communication Services was the worst down -0.75%. IT software services provider Bytes Technology lost -7.5% as the company appointed an independent committee to investigate the former CEO's resignation and undisclosed share transactions ([Reuters](#)). Marshalls slumped -8.5% after the landscaping and roofing products supplier guided for lower 2024 revenue. The company cited a slower-than-expected recovery in the construction market ([Reuters](#)). Polish fashion group LPP surged +20.5% to regain losses seen last Friday caused by a Hindenburg Research report that questioned the 2022 sale of the company's Russian assets ([Reuters](#)).

## FOREIGN EXCHANGE

**AUDUSD 0.6556 (-0.14%) | DXY 103.601 (+0.14%) | EURUSD 1.0868 (-0.18%)**

- The dollar has firmed overnight, up +0.14% as markets look ahead to a flurry of CB meetings this week. Ahead of the FOMC on Thursday morning, both real money and retail investors have been the main drivers of an increase in short USD positioning. Citi's FX positioning indicator (CFPI) is now at -7.8 out of max short -10 with all but one of the positioning data sources suggesting short exposure across the leveraged, real money and retail segments. This is the most short investors have been since December when their bearish dollar view lasted through year-end ([Citi](#)). Key today is also USDJPY which moved up +0.03%. The BoJ is in focus, where our econ team now sees NIRP removal to be announced. Our traders don't see an easy path to significant yen appreciation on the back of NIRP removal given just how much signalling we've already received about the BoJ's intentions today. They expect any dips in USDJPY to be well supported given the pair's carry dynamics and instead see USDJPY's path this week as likely ultimately determined by the FOMC ([Citi](#)).
- Both antipodean currencies sold off ahead of the RBA today, with the Kiwi down -0.18% and the Aussie declining -0.14%. No change in the cash rate is expected, but our Australian economists see tightening bias in the guidance as likely to be retained. For FX, our trader likes short-dated AUDUSD calls, as retention of guidance (our base case) would be a hawkish beat. Topside levels to watch include 0.6640, followed by 0.6675. Support levels are at 0.6520/40 and 0.6475. AUDNZD risks are skewed higher, too. First

resistance levels are at 1.0790 (200dMA), followed by 1.0830/40 and then 1.09. 1.0650 offers downside support. AUD positioning looks short going into today, and while NZD positioning is long, we note that these positions are held by RM investors and as such are unlikely to be unwound in a hurry ([Citi](#)).

- The pound dropped -0.07% to 1.2725 as our UK econ team has begun to signal that there are risks forming that the BoE may hike sooner than expected. They caution May is a live meeting - one that could yet be signalled this week (among other things) via a renewed emphasis on forecasts ([Citi](#)). EURUSD fell -0.18% despite our positioning indicator suggesting Investors increased their long EUR exposure. Our CFPI has been pushed to a near max +9.9, the most long that the market has been since early 2021, just before a period of EUR depreciation. We see more positive flows as possible, particularly from RM names who have only recently switched to net buying, while hedge funds have been buying since mid Feb ([Citi](#)).

## COMMODITIES

**Gold 2,159.87 (+0.59%) | WTI 82.91 (+1.79%) | Copper 9089.00 (+0.19%) ^**

- **Energy:** Oil prices advanced about 1.79% on Monday, reaching four-month highs, driven by lower crude exports from Iraq and Saudi Arabia alongside signs of stronger demand and economic growth in China and the US. WTI futures settled at \$82.91/bbl (+1.79% DoD), marking their highest close since October 2023. This uptick in prices reflects a confluence of geopolitical tensions and strategic output adjustments. U.S. gasoline futures also reached their highest since August 2023, amid expectations for tightening global supplies and growing demand ([Reuters](#)).
- **Metals:** Base metals were mostly unched, with copper adding +0.19% DoD. Commentators expect copper, zinc, and iron ore to outperform in coming months, due to anticipation of China credit data resilience, softer expected US labour data, broader risk-asset strength, and investor fears of missing a bottoming in global manufacturing ([Citi](#)). Precious metals were also unched-to-slightly-up overnight, with Gold +0.59% to \$2,159.87/oz and Silver +0.13% to \$25.03.

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
<b>Equities</b>					
S&P 500	5,149.42	32.33	0.6%	2.9%	8.0%
Nasdaq	16,103.45	130.28	0.8%	2.1%	7.3%
Dow Jones	38,790.43	75.66	0.2%	0.4%	2.9%
Euro Stoxx 50	4,982.76	-3.26	-0.1%	4.6%	10.2%
FTSE100	7,722.55	-4.87	-0.1%	0.1%	-0.1%
TOPIX	2,721.99	51.19	1.9%	3.1%	15.0%
KOSPI	2,685.84	19.00	0.7%	0.2%	1.2%
Shanghai Comp	3,084.93	30.29	1.0%	6.0%	3.7%
ASX200 Futures	7,687.00	3.00	0.0%	1.0%	1.3%
VIX Index	14.34	-0.07			
<b>Foreign Exchange</b>					
DXV	103.6050	0.15	0.1%	-0.6%	2.2%
AUDUSD	0.6558	0.00	-0.1%	0.3%	-3.7%
EURUSD	1.0871	0.00	-0.1%	0.9%	-1.5%
GBPUSD	1.2726	0.00	-0.1%	1.0%	0.0%
USDJPY	149.1800	0.06	0.0%	0.6%	-5.5%
USDCHE	0.8880	0.00	0.5%	-0.6%	-5.2%
<b>Fixed Income - 10y</b>					
	%	bps		bps	bps
Aus (Fut.)	4.16%	3.00		-3.00	19.00
United States	4.33%	2.20		4.80	44.92
United Kingdom	4.09%	-1.02		-1.83	55.86
Germany	2.46%	1.77		4.86	43.68
France	2.89%	1.05		0.65	33.34
Italy	3.67%	-1.84		-22.05	-1.28
<b>Commodities</b>					
WTI Crude	82.97	1.93	2.4%	4.8%	15.8%
Brent Crude	87.02	1.68	2.0%	4.3%	13.0%
Copper o/lb	411.85	0.60	0.1%	7.3%	5.9%
Nickel	18,074.00	-3.00	0.0%	11.2%	8.9%
Zinc US\$/mt	2,561.00	13.00	0.5%	8.8%	-3.6%
Aluminium US\$/mt	2,274.50	23.00	1.0%	2.2%	-4.6%
Iron Ore US\$/mt	108.95	0.44	0.4%	-15.2%	-20.1%
Gold US\$/oz t	2,160.00	12.93	0.6%	7.1%	4.7%
Silver US\$/oz t	25.04	0.00	0.0%	8.8%	5.2%
Bitcoin USD	67,073.29	-1,197.92	-1.8%	29.3%	57.8%
Lithium (ETF)	46.11	0.77	1.7%	5.9%	-9.5%
<b>DLCs</b>					
	Last Price	Aud Price			Spread
Rio PLC	4,886.00	94.82	0.5%	-11.4%	23.9%
South 32 - Lon	160.40	3.11	4.7%	6.6%	0.9%
South 32 - J'burg	3,850.00	3.10	5.0%	7.7%	1.3%
Virgin Money	210.00	4.08	0.0%	30.7%	-0.4%
NWS A	25.45	38.81	-0.2%	-3.0%	4.5%
<b>ADRs</b>					
	Last Price	Aud Price			Spread
BHP	55.88	42.60	0.4%	-7.4%	-0.5%
Rio	62.27	94.95	0.1%	-9.9%	23.7%
CSL	91.43	278.84	-0.1%	-1.3%	0.3%
James Hardie	39.25	59.85	0.9%	4.2%	-0.2%
ResMed	190.96	29.12	0.5%	5.8%	0.3%
Amcor	9.42	14.36	-0.6%	4.2%	0.3%
Square	80.86	123.30	0.9%	23.2%	0.1%

\*At time of writing

Source: Bloomberg

## CitiFirst Warrants

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