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Daily Market Overview

November 18, 2024

### Overnight Headlines:

- President Joe Biden's administration has allowed Ukraine to use U.S.-made weapons to strike deep into Russia, two U.S. officials and a source familiar with the decision said on Sunday, in a significant reversal of Washington's policy in the [Ukraine-Russia conflict](#). Ukraine plans to conduct its first long-range attacks in the coming days, the sources said, without revealing details due to operational security concerns. The move comes two months before President-elect [Donald Trump](#) takes office on Jan. 20 and follows months of pleas by Ukrainian President Volodymyr Zelenskyy to allow Ukraine's military to use U.S. weapons to hit Russian military targets far from its border. ([Reuters](#))
- Nvidia's new Blackwell AI chips, touted for faster processing speed, are encountering overheating issues that customers worry could delay new data centres, The Information reported. The company has asked suppliers to revise server rack designs multiple times in an effort to fix the problem, leading to customer concerns over potential delays, the publication said citing unnamed Nvidia customers, suppliers and employees who have been working on the issue. Nvidia, the world's most valuable chipmaker, introduced the Blackwell lineup in March, with initial shipments originally set for Q2 2024 but already delayed. A company spokesperson described the "engineering iterations" as "normal and expected." The report, which also says the changes to Nvidia's Blackwell racks are happening late in the production process, comes just days before Nvidia is due to release quarterly earnings on Wednesday. ([The Information](#))([Bloomberg](#))([Reuters](#))
- Chinese President Xi Jinping vowed on Saturday to work with the incoming U.S. administration of Donald Trump as he held his final talks with outgoing President Joe Biden on conflicts from cyber crime to trade, Taiwan, the South China Sea and Russia. Biden met Xi for about two hours at a hotel where the Chinese leader was staying, on the sidelines of the Asia-Pacific Economic Cooperation forum in Lima, Peru, for their first talks [in seven months](#). ([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 \(excel\)](#)

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#### Top Traded Warrants By Value and Volume From Last Trading Day

Warrant Code	Value	Citi	Warrant Code	Volume	Citi
FMGMOQ	\$2,060,794	Citi Sells	FMGMOQ	304,000	Citi Sells
XJOMCR	\$1,322,981	Citi Sells	XJOMCR	215,174	Citi Sells
NDXKOU	\$958,580	Citi Buys	XJOMCB	180,000	Intraday
XJOMCB	\$873,900	Intraday	XJOKCW	88,417	Citi Buys
MINKCA	\$479,545	Citi Buys	NDXKOU	78,000	Citi Sells

#### Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
CBAMCQ	174.3003	153.36	\$20.300	15/11/2024	19/11/2024
QANKCS	10.3954	8.83	\$1.565	15/11/2024	19/11/2024
WBCKOR	37.2373	32.67	\$4.530	15/11/2024	19/11/2024
JBHKOS	104.1878	88.55	\$15.340	15/11/2024	19/11/2024
CSLKCA	240.4026	275.51	\$35.000	15/11/2024	19/11/2024

#### Overnight Summary:

RATES
AUS 3yr 95.89 (+6.0bp)   AUS 10yr 95.39 (+4.0bp)   US 10yr 4.44 (+0.4bp)   Bund 10yr 2.36 (+1.5bp)
<ul style="list-style-type: none"><li><b>US:</b> US treasuries ended Friday mixed with the curve steeper by +4.56bps on the day. The 10y hit 4.5% intraday, before ending +0.4bps higher to 4.439% amid signs of dip-buying including a large 10k contracts block trade in 10y note futures which shifted momentum. Early weakness was reactive to US retail sales advancing in October by 0.4%, after an upwardly revised 0.8% gain in September. 2y treasuries rallied by -4.16bps to 4.303%. Fed dated OIS priced in a combined 70bps of cuts by the end of 2025 (<a href="#">BBG</a>).</li><li><b>EU:</b> European bonds declined with the short end underperforming ahead of a large number of ECB policymakers speaking in the coming week. ECB rate cut</li></ul>

reductions price in 30bps into December and price 143bps into the end of 2025, 4bps less than Thursday's close. 2y bunds end +1.99bps higher to 2.116% and the 10y ends +1.46bps higher to 2.354%. BTP-bund spread remains mostly unchanged, tighter by -1bp to 120bps, seeing the 10y BTP up +0.92bps to 3.553%. Gilts twist steepen, following USTs, with the 2y down -2.32bps to 4.395% and the 10y down -1.12bps to 4.471%, with BOE rate cut wagers added to by 2bps ([BBG](#)).

- **AU:** Aussie bond futures bull steepened with the 3y price up 6bps and the 10y price up 4bps.

## EQUITIES

**S&P500 5,870.62 (-1.32%) | Stoxx600 503.12 (-0.77%) | FTSE100 8,063.61 (-0.09%)**

- US stocks fell sharply on Friday, paced by the mega cap techs, after October retail sales came in hotter-than-expected, lifting the bar for lower interest rates a day after Fed chairman Jerome Powell said policymakers were in no hurry to cut. The S&P500 (-1.32%) and NASDAQ (-2.24) notched their biggest one-day loss in two weeks on concerns of the pace of interest rate cuts. The Dow (-0.70%) similarly fell. On the S&P500, Utilities (+1.47%) was the top performing GICS sector while losses were led by Information Technology (-2.49%). Applied Materials (-9.20%) fell with the US chip manufacturing equipment maker forecasting 1Q revenue below expectations. It expects 1Q revenue of \$7.15bn, plus or minus \$400mn, below analysts' average estimate of \$7.22bn ([Barron's](#)). Following the nomination of Robert F. Kennedy Jr to the Head of the Department of Health and Human Services in the Trump Administration, healthcare names including Moderna (-7.34%) and Pfizer (-4.69%) sold off. Kennedy has previously spread misinformation on vaccines and criticised ultra-processed foods ([Barron's](#)). Consumer staples names including Monster Beverage (-7.08%), Lamb Weston (-6.14%) and Keurig Dr Pepper (-5.15%) were also hurt by the nomination news. Palantir Technologies (+11.14%) gained on a plan to transfer its listing to the Nasdaq from the New York Stock Exchange on Nov. 26 ([Barron's](#)). Tesla (+3.07%) rose after falling -5.8% on Thursday following a report from Reuters that said Trump likely would eliminate \$7,500 purchase tax credits for electric vehicles ([Barron's](#)).
- European equities also slipped on Friday with the Stoxx600 falling -0.77%. Energy (+0.85%) was the top performing sector on the index while Information Technology (-3.15%) fell the most. European pharmaceuticals also fell following the appointment of Robert F. Kennedy to the head of the Department of Health and Human Services. Novo Nordisk (-5.36%) and GSK (-3.88%) both fell. Generali (+4.84%) advanced after Italy's top insurer beat estimates for nine-month profits despite a 930mn euro hit from national disasters. Nine-month operating profit rose +7.9% to 5.4bn euros, above analyst consensus estimates of 5.15bn euros ([Reuters](#)). Burberry (+4.40%) continued to advance following the announcement of a turnaround strategy last week.

## FOREIGN EXCHANGE

**AUDUSD 0.6465 (+0.14%) | DXY 106.687 (-0.12%) | EURUSD 1.0532 (-0.06%)**

- The dollar declined -0.12% on Friday, taking a breather from its recent bullish momentum. The Fed's Collins titled modestly dovish, suggesting policy remains 'restrictive', with "no evidence of new price pressures", causing yields and the dollar to turn lower. On the data front, retail sales data looks to be suffering from extreme seasonal noise with an October 0.1% MoM decline in the control group following an upwardly-revised 1.2% advance in September, according to our economists. They state that for now, the Fed will smooth through the outsized volatility and conclude that spending remains resilient ([Citi](#)). USDJPY plunged -1.33% to 154.24 in what looked like a position squeeze not helped by lower US yields on Friday. Leverage names seemed to be driving the move, as our NY eTraders saw net JPY inflows from such names. Banks and investors were selling JPY, which suggests that conviction still skews towards USDJPY upside. Our trader likes to hold off on buying the dip until we get through Ueda today ([Citi](#)).
- The antipodeans finally stabilised somewhat on Friday's NY session thanks to the weaker dollar, with the Aussie up +0.14% and the Kiwi +0.09% higher. 0.6450-0.6465 seems to have become a good place to buy the pair, with our NY eTraders seeing net AUD inflows during the NY morning and early afternoon ([Citi](#)).
- The EUR declined -0.06% though 1.05 remains a strong support level, bringing inflows on our ePlatform, with investors and banks participating the most. These conviction-oriented clients don't seem ready yet to send EURUSD through 1.05 and, ultimately, to parity ([Citi](#)). Disappointing Q3 GDP was likely the catalyst for a -0.31% lower GBP, with our economists thinking that even if we get a rebound after the 0.1% QQ, versus 0.2% expected Q3 figure, it is unlikely to sustain because of the cracking labour market. The BoE is still likely to cut 25bps per quarter, but we could hear louder and louder dovish guidance as next year moves along ([Citi](#)).

## COMMODITIES

Gold 2,563.25 (+0.20%) | WTI 67.02 (-1.33%) | Copper 9002.00 (+0.13%) ^

- **Metals:** Precious metal prices fell on Friday, led by gold, which was set for its biggest weekly drop in over three years. Spot gold prices fell by 0.1% to \$2,565.49/oz. For the week, gold prices dropped over 4%, reaching their lowest levels since mid-September. The primary driver behind this drop was the strengthening U.S. dollar, which was heading for its largest weekly gain in over a month. The stronger dollar made gold more expensive for holders of other currencies. Additionally, U.S. Treasury yields rose following better-than-expected retail sales data for October, which signaled a strong economy. Expectations for a Federal Reserve rate cut in December decreased after Fed Chair Jerome Powell indicated there was no urgency to lower rates. The probability of a 25-basis-point cut in December fell to 62% from 83% the previous day. Higher interest rates reduce the appeal of non-yielding assets like gold. Other precious metals also faced declines: **Silver** dropped 0.4% to \$30.32 per ounce; **Platinum** fell 0.1% to \$939.22 per ounce; **Palladium** rose slightly by 0.7% to \$947.77 but was still set for a weekly decline. Overall, the precious metals market reacted to easing expectations of Fed rate cuts, a stronger dollar, and resilient economic data, which dampened investor interest in non-yielding safe-haven assets like gold ([Reuters](#)).
- **Energy:** On Friday, oil prices dropped over 2% due to concerns about weaker Chinese demand and uncertainty regarding future U.S. Federal Reserve rate cuts.

Brent crude futures closed at \$71.04 per barrel (down 2.09%), while WTI settled at \$67.02 per barrel (down 2.45%). For the week, Brent fell by around 4%, and WTI declined by about 5%. The decline was driven by data showing that China's oil refiners processed 4.6% less crude in October compared to the previous year due to plant closures and reduced output at smaller refineries. Additionally, China's economic slowdown, particularly in the manufacturing and property sectors, contributed to the market's pessimism. Major forecasters, including the International Energy Agency (IEA), highlighted slowing global oil demand growth, partly due to weaker Chinese economic performance and the growing adoption of electric vehicles. The IEA predicted a surplus in global oil supply by 2025, even with ongoing OPEC+ production cuts. Meanwhile, OPEC also lowered its demand growth forecast for 2024 and 2025 ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
<b>Equities</b>					
S&P 500	5,782.76	70.07	1.2%	0.6%	21.2%
Nasdaq	18,439.17	259.19	1.4%	1.7%	22.8%
Dow Jones	42,221.88	427.28	1.0%	-0.3%	12.0%
Euro Stoxx 50	4,870.33	18.23	0.4%	-1.7%	7.7%
FTSE100	8,172.39	-11.85	-0.1%	-1.3%	5.7%
TOPIX	2,664.26	20.00	0.8%	-1.1%	12.6%
KOSPI	2,576.88	-12.09	-0.5%	0.3%	-3.0%
Shanghai Comp	3,386.99	76.78	2.3%	1.5%	13.9%
ASX200 Futures	8,208.00	61.00	0.7%	0.2%	8.2%
VIX Index	20.45	-1.53			
<b>Foreign Exchange</b>					
DX	103.4420	-0.46	-0.4%	0.9%	2.1%
AUDUSD	0.6637	0.00	0.6%	-1.8%	-2.6%
EURUSD	1.0926	0.00	0.4%	-0.5%	-1.0%
GBPUSD	1.3034	0.01	0.6%	-0.4%	2.4%
USDJPY	151.6200	-0.81	-0.5%	-2.3%	-7.0%
USDCHF	0.8634	0.00	-0.1%	-1.0%	-2.5%
<b>Fixed Income - 10y</b>	<b>%</b>	<b>bps</b>		<b>bps</b>	<b>bps</b>
Aus (Fut.)	4.57%	-0.50		49.50	60.50
United States	4.28%	-0.38		31.36	40.18
United Kingdom	4.53%	7.19		39.90	99.83
Germany	2.42%	3.14		21.51	40.24
France	3.15%	1.76		17.25	60.13
Italy	3.67%	0.39		16.22	-2.06
<b>Commodities</b>					
WTI Crude	72.19	0.72	1.0%	-2.9%	0.8%
Brent Crude	75.70	0.62	0.8%	-3.0%	-1.7%
Copper c/lb	446.20	3.05	0.7%	-2.4%	14.7%
Nickel	16,007.00	63.00	0.4%	-11.0%	-3.6%
Zinc US\$/mt	3,035.50	-34.00	-1.1%	-4.1%	14.2%
Aluminium US\$/mt	2,620.00	20.00	0.8%	-1.2%	9.9%



\*At time of writing

Source: Bloomberg

## **CitiFirst Warrants**

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