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Daily Market Overview

March 22, 2024

Overnight Headlines:

- Apple loses \$115bn in market value as regulators scrutinise the tech giant. A US lawsuit is accusing the iPhone maker of violating anti-trust rules, whilst a European probe is looking into the company's compliance towards the Digital Markets Act. The US lawsuit accuses Apple of stopping competitors from offering rival services on the iPhone while also making it difficult for users to switch to alternative operating systems, including anti-competitive steps such as blocking apps, suppressing mobile cloud streaming services and limiting third party digital wallets ([BBG](#)).
- Switzerland surprises with a rate cut, moving ahead of the ECB and the Fed, with only a small minority of economists expecting the cut. The Swiss National Bank lowered their interest rate by 25bps to 1.5% ([BBG](#)). A substantially lower inflation forecast vs. December leaves room for more cuts, and Citi's economist calls for 75bps more cuts this year vs. market pricing for 45bps ([Citi](#)).
- Following delays, U.S. congressional leaders unveiled a \$1.2 trillion bipartisan spending measure for defense, homeland security and other programs early on Thursday, giving lawmakers less than two days to avert a partial government shutdown. The House of Representatives will vote on the package on Friday, leaving the Democratic-majority Senate only hours to pass the package of six bills that covers about two-thirds of the \$1.66 trillion in discretionary government spending for the fiscal year that began on Oct. 1 ([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
CSLKOG	\$1,242,064	Citi Sells	TLSJOF	500,000	Citi Sells
TLSJOF	\$920,000	Citi Sells	QANJOB	300,000	Citi Buys
XJOKOS	\$844,013	Citi Buys	ZSIKOT	203,000	Citi Sells
QANJOB	\$758,100	Citi Buys	XJOKOS	154,836	Citi Buys
NDXKOU	\$560,950	Intraday	TLSJOB	150,000	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
NABKOR	39.6132	34.85	\$4.760	21/03/2024	25/03/2024
MQGKOY	234.9727	199.68	\$35.260	21/03/2024	25/03/2024
FXYKOT	102.6643	100.00	\$2.680	21/03/2024	25/03/2024

Overnight Summary:

RATES
AUS 3yr 96.32 (-2.0bp) AUS 10yr 95.88 (-1.5bp) US 10yr 4.27 (+0.2bp) Bund 10yr 2.41 (-2.7bp)
<ul style="list-style-type: none"> US treasuries declined following strong economic data, including a report showing a drop in new claims for unemployment benefits last week. U.S. initial jobless claims fell -2k to 210k in the March 16 week whilst U.S. S&P Global flash manufacturing PMI rose 0.3 ticks to 52.5 in March, better than expected, following the 1.5 point increase to 52.2 in February. This is the highest since June 2022. With sharp bull steepening in gilts and bunds, USTs showed temporary sympathy before bear flattening at domestic data prints. The 2y yield ended +3.61bps higher at 4.638% whilst the 10y ended +0.2bps higher at 4.275% (BBG). European bonds saw bull steepening following the Swiss National Bank cutting rates and BOE keeping rates steady. The Swiss National Bank cut rates by 25bps to 1.5%, against consensus, pushing investors to tweak their view on ECB rate cuts to the more dovish side. Bunds hit one week lows with the 2y lower by -4.94bps to 2.871% and the 10y lower by -2.68bps to 2.404%. BTPs similarly rallied with the 2y down -5.14bps to 3.382% and the 10y was down -3.74bps to 3.672%. Traders added to both ECB and BOE rate cut bets, pricing in 92bps and 77bps of easing by the end of the calendar year respectively. Governor Andrew Bailey said that Britain's economy is moving towards the point where the Bank of England can start cutting interest rate, with two of his colleagues dropping

their calls for a rate hike in the face of easing inflation. Gilts saw the 2y rallying by -4.62bps to 4.169% and the 10y lowered by -1.91bps to 3.994%. Focus will turn to UK retail sales and German IFO figures out on Friday ([BBG](#)).

- Aussie bond futures slightly bear flattened with the 3y yield up +2bps and the 10y up +1.5bps.

EQUITIES

S&P500 5,248.87 (+0.46%) | Stoxx600 509.77 (+0.90%) | FTSE100 7,882.55 (+1.88%)

- U.S. markets hit record highs again overnight fuelled by rate-cutting optimism despite Fed Chair Jerome Powell stating that inflation will move down gradually on a “sometimes bumpy road to 2%”. The Fed also said it would be sticking to its view of three interest rate cuts this year which buoyed investor confidence. All three major indexes finished in the green with the S&P500 up +0.46%, the Dow Jones up +0.71% and the NASDAQ up +0.23%. The S&P500 had Industrials as the best sector up +1% while Utilities was the worst down -0.21%. Reddit shares opened at \$47 each, 38% above the original offer range of \$31-\$34. The opening price valued the social media platform at USD\$8.87 billion ([Reuters](#)). Micron Technology was up +16% with the computer memory manufacturer posting surprise quarterly profit and forecasted Q3 revenue above estimates. Other stocks in the technology sector also rose with Broadcom gaining +7% on the back of an upgraded rating and Nvidia seeing a +1.5% rise ([Reuters](#)). Apple went against the trend, falling -4% after the U.S. Department of Justice sued the technology giant alleging monopolisation of smartphone markets ([Reuters](#)). Accenture was also a drag on the market losing -9% as the IT services provider cut FY24 revenue forecasts as clients cut spending on consulting services ([Reuters](#)).
- European shares also hit new records overnight following dovish commentary from central banks. The Bank of England kept rates steady while the Swiss National Bank cut rates by 25bps. The Stoxx600 was up +0.9% while the FTSE100 was up 1.88%. The dovish signalling saw all but one sector on the Stoxx600 close in the green with Information Technology leading gains up +3.84%. Only Utilities finished in the red down -0.39%. Similar performance was seen on the FTSE100 which had Information Technology as the best sector up +3.06% while Utilities was down -0.07%. Clothing retailer Next rose +6.7% as it kept guidance for sales and profit in the current year after reporting a slight bump in profit for 2023-24 ([Reuters](#)). Dowlais Group was down -9.7% as the owner of GKN Automotive forecast current-year revenue to be similar to 2023 levels as it cited a decline in light vehicle production and the company’s current order book ([Reuters](#)).

FOREIGN EXCHANGE

AUDUSD 0.6569 (-0.87%) | DXY 104.043 (+0.75%) | EURUSD 1.0856 (-0.74%)

- The dollar advanced +0.75% to claw back some ground following its post-Fed drop off. PMIs and jobless claims were the notable catalysts overnight. S&P Global US Composite PMI aligned with consensus estimates at 52.2 in March, although the underlying measures diverged, with Services PMI coming in softer than expected (51.7 v 52.3 prev), while manufacturing PMI surprised to the upside (52.5 v 52.2 prev). US econ notes both

ISM Services and the S&P Services PMIs have remained in expansionary territory although the modest pullback in the recent prints suggests a somewhat more modest pace of growth in services activity. Additionally, on balance the manufacturing data points to, on balance, no clear rebound in manufacturing yet ([Citi](#)). Initial jobless claims moved modestly lower to 210k (close to exp), Continuing jobless claims increased to 1807k from 1803k (lower than exp). Low initial jobless claims continue to point to no widespread layoffs happening, and thus limited obvious weakness in the labour market just yet. Going forward, weaker hiring patterns should be reflected in rising continuing claims and our econ team will be watching if that trend materializes ([Citi](#)). USDJPY climbed +0.45% and on flows we've seen fast money as better sellers of the pair ([Citi](#)).

- The antipodeans disconnected from a rally across other risk assets overnight, with both pairs down ~-0.88% at the time of writing. The Aussie in particular has given up some of the gains following yesterday's bumper jobs figure, to now trade at around the same level it did following the initial knee-jerk jump up. AUDUSD topside will arguably remain, according to our traders, although they're not sure there's a need to chase ([Citi](#)).
- GBPUSD declined -1.13% after the BoE decided to hold rates steady today for the fifth time in succession, by a margin of 1-8. Our econ team saw enough dovish tweaks in the statement/minutes to justify the view that May remains a live meeting for a cut, although June is our base case ([Citi](#)). The Euro saw a -0.74% decline as overall EU services PMI jumped to 51.1 vs 50.5 consensus forecasts, while manufacturing was dragged down by ongoing weakness in Germany to decline to 45.7 against expectations for further recovery to 47.0. While the data is disappointing, we don't see it as bad enough to fade a clearly dovish FOMC ([Citi](#)). Also note overnight we had the SNB become the first G10 CB to cut rates, delivering a surprise 25bp rate cut, in line with Citi's non-consensus call ([Citi](#)).

COMMODITIES

Gold 2,181.23 (-1.18%) | WTI 81.05 (-0.81%) | Copper 8950.00 (+0.25%) ^

- **Energy:** Oil prices edged lower due to concerns over U.S. gasoline demand and optimism for a ceasefire in Gaza, with WTI futures decreasing by -0.81% to \$81.05/bbl. This slight downturn follows a period of market rally supported by tightening gasoline supplies, and Ukrainian attacks on Russian refineries ([Reuters](#)).
- **Metals:** Gold prices pulled back slightly after reaching record highs, influenced by expectations set by the Fed's signals on interest rates for 2024. The previous metal's rally lost some momentum, with spot gold dipping -1.18% to \$2,181.23/oz, even after peaking at an all-time high earlier in the session. The dollar's rebound contributed to gold's correction, making it costlier for holds of other currencies. Despite this, market sentiment remains bullish on gold, with many viewing it as a favourable hedge amid anticipated rate cuts ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,241.53	16.91	0.3%	5.2%	9.9%
Nasdaq	16,401.84	32.43	0.2%	5.3%	9.3%
Dow Jones	39,781.37	269.24	0.7%	3.0%	5.6%
Euro Stoxx 50	5,052.31	52.00	1.0%	5.8%	11.7%
FTSE100	7,882.55	145.17	1.9%	2.9%	1.9%
TOPIX	2,796.21	45.24	1.6%	5.1%	18.2%
KOSPI	2,754.86	64.72	2.4%	3.4%	3.8%
Shanghai Comp	3,077.11	-2.57	-0.1%	3.0%	3.4%
ASX200 Futures	7,825.00	-14.00	-0.2%	3.4%	3.2%
VIX Index	12.98	-0.06			
Foreign Exchange					
DXY	104.0320	0.74	0.7%	0.0%	2.7%
AUDUSD	0.6570	-0.01	-0.8%	0.3%	-3.6%
EURUSD	1.0858	-0.01	-0.7%	0.4%	-1.6%
GBPUSD	1.2652	-0.01	-1.1%	0.1%	-0.6%
USDJPY	151.6400	0.64	0.4%	-0.9%	-7.0%
USDCHF	0.8979	0.01	1.4%	-2.0%	-6.3%
Fixed Income - 10y					
	%	bps		bps	bps
Aus (Fut.)	4.12%	1.00		-5.50	15.00
United States	4.27%	-0.37		-5.28	38.99
United Kingdom	3.99%	-1.85		-11.10	46.38
Germany	2.40%	-2.67		-3.54	38.23
France	2.84%	-2.68		-6.67	28.92
Italy	3.67%	-3.75		-23.92	-1.83
Commodities					
WTI Crude	81.01	-0.26	-0.3%	4.0%	13.1%
Brent Crude	85.71	-0.24	-0.3%	3.2%	11.3%
Copper c/lb	405.20	1.35	0.3%	4.6%	4.2%
Nickel	17,492.00	97.00	0.6%	7.0%	5.4%
Zinc US\$/mt	2,508.50	3.00	0.1%	5.4%	-5.6%
Aluminium US\$/mt	2,273.00	4.00	0.2%	3.6%	-4.7%
Iron Ore US\$/mt	110.80	-0.08	-0.1%	-11.6%	-18.8%
Gold US\$/oz t	2,182.22	-22.73	-1.0%	7.7%	5.8%
Silver US\$/oz t	24.75	-0.91	-3.7%	8.2%	4.0%
Bitcoin USD	65,837.51	-1,241.03	-1.9%	28.1%	54.9%
Lithium (ETF)	46.07	-0.58	-1.2%	7.8%	-9.6%
DLCs					
	Last Price	Aud Price			Spread
Rio PLC	5,048.00	97.21	2.2%	-2.0%	24.6%
South 32 - Lon	154.00	2.97	1.3%	5.5%	0.5%
South 32 - J'burg	3,630.00	2.93	-4.3%	3.3%	1.6%
Virgin Money	213.50	4.11	2.7%	35.4%	-3.9%
NWS A	26.21	39.89	1.2%	0.5%	3.7%
ADRs					
	Last Price	Aud Price			Spread
BHP	57.89	44.06	0.2%	0.2%	0.2%
Rio	64.13	97.61	0.4%	-2.1%	24.1%
CSL	90.68	276.04	-1.4%	-2.2%	0.1%
James Hardie	40.08	61.00	0.0%	7.8%	-0.9%
ResMed	193.73	29.49	0.7%	7.5%	-1.2%
Amcor	9.28	14.12	1.4%	0.8%	-1.2%
Square	84.05	127.93	3.2%	30.4%	-2.1%

***At time of writing**

Source: Bloomberg

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