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Daily Market Overview

September 12, 2023

Overnight Headlines:

- Traders are keeping a close eye on negotiations between the United Auto Workers and automakers to prevent a strike, with the Biden administration deploying top officials to help facilitate the talks. The UAW union said it's ready to negotiate day and night with the companies to reach an agreement by the Sept. 14 deadline.
- Arm's IPO is already 10-times oversubscribed and bankers plan to stop taking orders by Tuesday afternoon. The firm still plans to price its shares on Wednesday, and the offering could be 15 times oversubscribed by then.
- China's credit demand improved, deflationary pressures eased and the yuan rallied, adding to a recent trickle of signs that the economy and financial markets may be stabilizing after a sharp downturn.

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BetaShares ETFs and Instalment Warrants



Source: Citi

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
FMGKOS	\$400,880	Citi Buys	KARJOC	192,000	Citi Buys
MQGKOD	\$237,228	Citi Buys	WHCKCF	122,556	Citi Sells
WHCKCF	\$235,887	Citi Buys	GPTJCB	100,000	Citi Sells
KARJOC	\$231,240	Citi Buys	PLSJOF	97,979	Citi Sells
XJOKCF	\$230,144	Citi Sells	SGRKCB	90,000	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
MP1KOE	9.438	10.82	1.365	11/09/2023	13/09/2023

Overnight Summary:

RATES
AUS 3yr 96.16 (-1.0bp) AUS 10yr 95.84 (-0.6bp) US 10yr 4.29 (+2.4bp) Bund 10yr 2.64 (+2.8bp)
<ul style="list-style-type: none">The combination of 2013 'taper tantrum' levels in 10y JGBs (>70bps) and expectations of a front-loaded sovereign and corporate supply glut left USTs bear steepening mostly beyond the 5yr point. The 10yr yield rose +2.4bps while the 2yr was unch on the day with the 2s10s weekly chart looking to close above the -70 channel resistance level to see a steepening continuation (currently -70.4). 5s30s was similar +2.6bps to close at 4bps. In auctions, the 3-year note tailed 1bp as the indirect bidder allocation dropped to 57.7% from 74%. Bid-to-cover remained strong at 2.75x beating the 6-auction average of 2.67x with direct bidders awarded 22.1% and dealers left with 20.3%, twice as much as last month. The UST's market theme of deleveraging continues ahead of CPI on Wednesday.European bonds bear steepened, with Bunds outperforming past 5 years and Gilts outperforming in the short-end. 2y Bund yields rose 1.88bps, 5y up 2.07bps, 10y up 4.78bps, and 30y rose 3.65bps. Meanwhile, 2y Gilt yields rose 1.84bps, 5y

increased 3.75bps, 10y increased 4.78bps, and 30y grew 7.24bps. Finally, 2y BTP yields rose 1.09bps, 5y rose 3.33bps, 10y increased 4.75bps, and 30y grew 5.70bps. This came ahead of the ECB meeting this week, with markets still pricing in about 11bps of hikes and economists split on the decision. Meanwhile, the EU cut its euro-area GDP growth forecast to 0.8% from 1.1%, with Italian Industry Minister, Urso, urging ECB to pause rates this week, and European Commissioner, Gentiloni, claiming Europe was not under stagflation. Meanwhile, BOE's Catherine Mann said that officials should "err on the side of tightening further" and "holding rates constant at the current level risks enabling further inflation persistence."

- Aussie bond futures bear flattened, with 3y yields rising 1.0bps and 10y up 0.6bps.

EQUITIES

S&P500 4,487.46 (+0.67%) | Stoxx600 456.21 (+0.34%) | FTSE100 7,496.87 (+0.25%)

- US equities rose following comments from US Treasury Secretary Janet Yellen and ahead of the upcoming CPI print on Wednesday (Citi expects +0.3% print). The S&P advanced +0.67% and approached the critical 4,500 level, the Dow Jones added +0.25% and the tech-heavy NASDAQ gained +1.14%. Industrials and energy were the only two S&P sectors to lose ground on the day, declining -0.01% and -1.32% respectively. Consumer discretionary stocks outperformed, advancing +2.77%, led by gains in Tesla (+10.09%) and Amazon (+3.52%). Charter Communications advanced +3.18% on the news that it had reached a deal with Disney to end the blackout of ABC and ESPN, just hours before the first Monday NFL game of the season. Disney moved +1.15% higher on the news.
- European equities closed higher after comments from US Secretary Yellen offered hope for a soft landing in the US and provided a boost to risk assets. The Stoxx600 ended +0.34% higher and the FTSE100 gained +0.25%. Real estate stocks led the Stoxx index higher, gaining +1.38% on the day. Miners also added +1.14%, boosted by rising metals prices. Italian banks also fared well on reports that the government was considering making changes to its windfall tax on lenders. Tech stocks lagged on the day and fell -1.08%; the only Stoxx sector to record a daily decline.

FOREIGN EXCHANGE

AUDUSD 0.6429 (-0.22%) | DXY 104.554 (-0.03%) | EURUSD 1.0746 (+0.14%)

- The DXY Index fell 0.03% ahead of US CPI tomorrow night - its first loss in a US session following a gain in the last 5 sessions, falling against all G-10 peers. The only data point overnight in the US was the NY Fed 1-yr inflation expectations, which printed above last month's 3.55% at 3.63%. Janet Yellen also said she is "feeling very good" about avoiding recession and keeping inflation within the target. USDJPY rose 0.40% overnight to 146.56 after falling through much of the

day following Ueda's comments on potentially ending the BOJ's NIRP if wages and prices kept accelerating stably.

- Both AUDUSD and NZDUSD fell 0.22%. China increased its defense of the yuan, with offshore yuan falling about 0.79% from yesterday's open.
- EURUSD rose 0.14% and GBPUSD fell 0.03% ahead of the ECB's decision this week. The EU cut its euro-area GDP growth forecast to 0.8% from 1.1%, with Italian Industry Minister, Urso, urging ECB to pause rates this week, and European Commissioner, Gentiloni, claiming Europe was not under stagflation. Meanwhile, BOE's Catherine Mann said that officials should "err on the side of tightening further" and "holding rates constant at the current level risks enabling further inflation persistence."

CREDIT

US IG40 63.34 (-1.0bp) | US HY40 -5.33 (-5.33pts) | Itraxx Main 38 70.14 (-0.86bp) | Xover 38 394.94 (-4.21bp)

- US: Credit saw spreads improve on Monday, with traders seeing the move as following equities rather than a thematic shift. The IG40 was -0.99bps tighter at 63.34 and cash was +0.6bps wider. Communications outperformed whilst industrials underperformed. The desk saw auto names trading, with traders expecting more widening to come. The HY40 was -4.33bps wider at 425.10 and cash was -1.1bps tighter. Communications and consumer staples outperformed, whilst materials and health care bonds underperformed, being the only two sectors to widen. There was \$11bn of new supply in the IG primary markets, from 11 issuers, with \$2bn of HY debt. Issuers flooded the market to get ahead of CPI data. Monday is set to make up the bulk of issuance for the week, with dealers calling for \$30bn of issuance in the week.
- EU: Risk sentiment in the EU improved all round, with credit spreads tightening. The iTraxx was -0.86bps tighter at 70.14 and cash was -1.4bps tighter. All sectors saw tightening, with communications bonds outperforming and utilities bonds underperforming. The XO was -4.20bps tighter at 349.94 and cash was -4.0bps tighter. Communications bonds, again, outperformed whilst energy bonds underperformed, and were the only sector to widen. It was a busy Monday in the primary market, with 12 deals making up EUR10bn of issuance.

COMMODITIES

Gold 1,922.14 (-0.32%) | WTI 87.35 (+0.13%) | Copper 8402.00 (+1.94%) ^

- Energy: Oil steadied with Brent down -0.02% at \$90.64/bbl and WTI up +0.13% at \$87.35/bbl. European natural gas prices have risen as Chevron strikes continue for a third day, with TTF up 5.86% at EUR36.575/MWh.
- Metals: Precious metals were lower, with gold losing -0.32% at \$1,922.14, despite a weakening in the DXY, and silver down -0.35% at \$23.08. Base metals were mixed, but generally higher overnight, with copper up +1.94% at \$8,402/tn,

nickel up +1.71% at \$24,803, zinc down -2.56% at \$2,510/tn and aluminium up +1.01% at \$2,206/tn.

- Agriculture: Corn rose +0.5% to \$4.86/bu, soybeans rose +0.5% to \$13.70/bu and wheat tumbled -1.9% to \$5.8425/bu.

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	4,487.46	29.97	0.7%	0.5%	16.9%
Nasdaq	13,917.89	156.36	1.1%	2.0%	33.0%
Dow Jones	34,663.72	87.13	0.3%	-1.8%	4.6%
Euro Stoxx 50	4,254.33	17.14	0.4%	-1.6%	12.1%
FTSE100	7,496.87	18.68	0.2%	-0.4%	0.6%
TOPIX	2,360.48	1.46	0.1%	2.5%	24.8%
KOSPI	2,556.88	9.20	0.4%	-1.3%	14.3%
Shanghai Comp	3,142.78	26.06	0.8%	-1.5%	1.7%
ASX200 Futures	7,199.00	7.00	0.1%	-1.1%	3.0%
VIX Index	13.80	-0.04			
Foreign Exchange					
DXY	104.5340	-0.05	0.0%	1.6%	1.0%
AUDUSD	0.6431	0.00	-0.1%	-0.9%	-5.6%
EURUSD	1.0749	0.00	0.1%	-1.4%	0.4%
GBPUSD	1.2514	0.00	0.0%	-1.3%	3.6%
USDJPY	146.5600	0.49	0.3%	-0.7%	-10.5%
USDCHF	0.8908	0.00	0.1%	-1.4%	3.8%
Fixed Income - 10y	%	bps		bps	bps
Aus (Fut.)	4.16%	0.30		5.60	8.60
United States	4.29%	2.50		13.68	41.53
United Kingdom	4.46%	4.81		-5.57	80.33
Germany	2.63%	2.85		1.45	7.16
France	3.17%	3.14		2.00	6.59
Italy	4.39%	4.75		14.37	-30.52
Commodities					
WTI Crude	87.29	-0.22	-0.3%	4.9%	8.8%
Brent Crude	90.65	0.00	0.0%	4.4%	5.5%
Copper c/lb	377.00	8.95	2.4%	1.4%	-1.1%
Nickel	20,052.00	-430.00	-2.1%	-3.8%	-33.3%
Zinc US\$/mt	2,443.50	-36.00	-1.5%	-0.5%	-17.8%
Aluminium US\$/mt	2,183.50	-12.50	-0.6%	-0.8%	-8.2%
Iron Ore US\$/mt	119.70	0.19	0.2%	14.1%	7.6%
Gold US\$/oz t	1,922.14	-5.80	-0.3%	0.8%	5.4%
Silver US\$/oz t	23.08	-0.04	-0.2%	1.7%	-3.7%
Bitcoin USD	25,155.88	68.52	0.3%	-14.5%	52.1%
Lithium (ETF)	58.06	0.89	1.6%	-4.4%	-0.9%
DLCs	Last Price	Aud Price			Spread
Rio PLC	5,001.00	97.33	3.4%	5.8%	15.5%
South 32 - Lon	169.00	3.29	1.2%	-13.9%	0.0%
South 32 - J'burg	4,010.00	3.30	0.4%	-14.8%	-0.3%
Janus Henderson	27.13	42.19	0.2%	2.7%	0.1%
Virgin Money	162.55	3.16	1.2%	-4.0%	-0.4%
NWS A	21.04	32.72	-0.1%	-0.9%	3.1%
ADRs	Last Price	Aud Price			Spread
BHP	56.51	43.94	2.8%	-4.2%	-0.6%
Rio	63.28	98.40	3.4%	3.7%	14.2%
CSL	86.63	269.41	0.6%	0.2%	-0.3%
James Hardie	29.78	46.31	0.9%	-0.9%	-1.1%
ResMed	151.51	23.56	2.4%	-15.6%	-0.4%
Amcor	9.43	14.66	1.9%	-2.7%	-0.4%
Square	53.94	83.87	1.6%	-10.9%	0.1%

*At time of writing

Source: Bloomberg

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