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# Daily Market Overview

June 7, 2024

### Overnight Headlines:

- Following reports of Huawei's undisclosed support, DC-based Optica will reimburse funds for 2024 and two prior years. The Optica Foundation, responsible for funding innovative research at US universities, announced it will cease accepting contributions from Huawei Technologies Co. CEO Elizabeth Rogan stated that Huawei's involvement diverted focus from the program's mission. Henceforth, Huawei will have no association with the initiative ([BBG](#)).
- Keith Gill, known as Roaring Kitty online, teased a return to YouTube on June 7, fuelling excitement among investors. His Reddit page displayed substantial stock and option holdings. GameStop Corp. shares soared by 47%, hitting \$46.55, prompting multiple halts due to volatility. The surge, marking a 76% increase in two days and a 167% spike since Gill's cryptic tweet on May 12, ignited a fresh rally in the video-game retailer's stock ([BBG](#)).
- Former Trump adviser Steve Bannon faces prison time after a federal judge ruled he must begin serving a four-month sentence for contempt of Congress by July 1. Bannon's incarceration, during a crucial phase of the U.S. presidential campaign, may impact Trump's bid against Democratic President Joe Biden in the Nov. 5 election. Despite his influence in Trump's circle and his status as a right-wing media figure, Bannon must comply with the court's decision ([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
<b>CBAKOZ</b>	\$516,689	Citi Sells	<b>CBAWOP</b>	622,795	Citi Sells
<b>MQGJOD</b>	\$487,968	Citi Buys	<b>KARJOC</b>	536,453	Citi Buys
<b>CBAKOR</b>	\$381,365	Citi Buys	<b>KARKOB</b>	394,998	Citi Buys
<b>NDXKOX</b>	\$349,994	Citi Sells	<b>ZSIKCD</b>	380,000	Citi Sells
<b>CBAKCS</b>	\$263,185	Intraday	<b>ZSIKOA</b>	201,465	Citi Sells

## Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
<b>CBAKOR</b>	142.9308	125.77	\$17.040	6/06/2024	11/06/2024
<b>MP1KCA</b>	11.2593	12.95	\$1.660	6/06/2024	11/06/2024
<b>CBAKCT</b>	141.1684	124.22	\$16.520	6/06/2024	11/06/2024
<b>SPFKOW</b>	5581.2967	5360	\$3.320	6/06/2024	11/06/2024
<b>IELKOD</b>	12.9206	15.49	\$1.075	6/06/2024	11/06/2024
<b>CSLKOP</b>	338.1992	287.46	\$50.160	6/06/2024	11/06/2024

## Overnight Summary:

RATES
<b>AUS 3yr 96.10 (+1.0bp)   AUS 10yr 95.78 (+1.0bp)   US 10yr 4.29 (+1.2bp)   Bund 10yr 2.55 (+3.7bp)</b>
<ul style="list-style-type: none"> <li>US treasuries declined ahead of May's jobs report, as well as the ECB cutting rates whilst remaining cautious on further cuts. US initial jobless claims were higher than expected but with the skew of seasonality due to the Memorial Day holiday, the market mostly ignored the data (<a href="#">Citi</a>). The 2y ended +0.18bps higher at 4.724% and the 10y ended +1.16bps higher at 4.287%.</li> <li>European bonds declined following the delivery of a June cut, while remaining cautious on the next move. Traders dialled back rate cut bets on additional interest rate cuts, with 36bps of easing expected by end of year, 4bps less than Thursday following the ECB revising its inflation projections higher and commented that further cuts would be data driven. Bunds sold off, led by the belly, with the 5y up +4.38bps to 2.603% and both the 10y and 2y ended +3.75bps higher at 2.548% and 3.014% respectively. BTPs sold-off further, with the 5y up +5.71bps to 3.451% and the 2y up +4.57bps to 3.501% whilst keeping the 2s10s curve steady. Conversely, traders added to BOE rate cut wagers, following a BOE survey showed</li> </ul>

that UK companies expected wage growth the cool, pushing 38bps of BOE easing through 2024, compared to 35bps on Wednesday. 2y gilts rallied by -4.7bps to 4.308% and the 10y ended -1.03bps lower at 4.173%, steepening the curve by +2.96bps ([BBG](#)).

- Aussie bond futures advanced with both the 3y and 10y price up +1bp.

## EQUITIES

**S&P500 5,352.96 (-0.02%) | Stoxx600 524.68 (+0.66%) | FTSE100 8,285.34 (+0.47%)**

- U.S. markets closed mostly down overnight ahead of the U.S. nonfarm payrolls report due on Friday. The S&P500 was flat (-0.02%), the Dow gained +0.20% and the NASDAQ slipped -0.09%. Consumer Discretionary (+0.97%) was the top gaining GICS sector while Utilities (-1.03%) fell the most. Among individual movers, Nvidia fell -1.1% and was back to being the third most valuable company after it overtook Apple yesterday. Lululemon rose +4.8% after beating 1Q profit and revenue expectations. Profit per share of \$2.54 beat estimates of \$2.38 while revenue of \$2.21bn exceeded expectations of \$2.19bn. The company also approved a \$1bn increase to its buyback program. Lululemon said strong demand from China had offset a slowdown in consumer spending in North America with international revenue increasing +35% compared to North American revenue growth of +3% ([MarketWatch](#)). Discount store Five Below fell -10.6% after trimming its annual net sales forecast. For 2Q, net sales guidance of between \$830mn to \$850mn fell below analyst expectations of \$855mn with the company now expecting same-store sales declines of between -3% to -5%. CEO Joel Anderson said the macro environment was disproportionately affecting their core lower-income customers ([Barron's](#)). GameStop soared +47% after online Keith Gill posted online that he would be holding a livestream event on Friday ([IBD](#)).
- European markets gained overnight following the ECBs decision to cut interest rates in what was a widely anticipated move. The 25bps cut is the first since 2019 however the central bank also revised its inflation forecast higher expecting it to average 2.2% in 2025, ahead of its previous estimate of 2%. The Stoxx600 rose +0.66% and the FTSE100 gained +0.47%. The Stoxx600 had Information Technology (+1.57%) as the top gaining GICS sector and Utilities (-0.89%) as the laggard. The FTSE100 also had Information Technology (+1.36%) as the top GICS sector and Utilities (-2.30%) as the laggard. German software developer Nemetschek gained +6.2% after agreeing to buy U.S. software provider GoCanvas to accelerate its digital offering in the construction industry ([Financial Post](#)). Novo Nordisk gained +4% to a record high while Dutch semiconductor firm ASML gained +1.5% to further extend its gains from yesterday. Decliners saw Vodafone and National Grid fall -5.8% and -4.2% respectively to the bottom of both indexes as they traded without entitlement to the latest dividend payouts ([Reuters](#)).

## FOREIGN EXCHANGE

**AUDUSD 0.6667 (+0.16%) | DXY 104.119 (-0.08%) | EURUSD 1.0891 (+0.07%)**

- A higher (albeit largely ignored) Jobless claims figure (229k v 220k expected from 219k) contributed to a slight offered tone in the dollar overnight, with the DXY down -0.08%. The stars seem to be aligning for a weak NFP number tonight, although, considering this is exactly what the market is positioned for (in both FX and [rates](#)) any sort of strength in the figure could likely see an outsized move in yields and subsequently the dollar. Citi is below consensus for NFP, expecting 140k vs 185k. We also expect a higher-than-consensus unemployment rate at 4% ([Citi](#)). USDJPY moved -0.39% lower, even as yields stayed steady, with Price action seeming to mirror the broader improvement in FX funder performance on the day. Although, net JPY selling was seen on our ePlatform ([Citi](#)).

- The Aussie moved +0.16% higher overnight, though It's worth noting that NY eTraders saw net selling of AUD, with this selling bias suggesting clients are unwilling to chase the pair higher right now ([Citi](#)) The kiwi moved +0.11% higher.
- The ECB cut rates overnight although the Euro was virtually unchanged around the meeting - finishing up +0.07% to 1.0891 at the time of writing. It stayed between 1.0860 and 1.0900 for the entire NY session, including the ECB meeting, when it popped to 1.0900 but failed to break above it. Alongside a cut, the ECB modestly adjusted its near-term inflation projections upward and included some hawkish comments in its communication. President Lagarde explained the decision by highlighting the stability of the staff's medium-term inflation forecast and, more significantly, the decline in both inflation and inflation expectations since last September ([Citi](#)) The pound declined -0.04%.

## COMMODITIES

**Gold 2,376.06 (+0.43%) | WTI 75.63 (+1.31%) | Copper 10149.00 (+2.26%) ^**

- Energy: Oil prices rose again with WTI gaining 1.31% overnight. Analysts are forecasting an oversupplied oil market by 2025, with potential impacts on global oil prices and production strategies ([BBG](#)). New York faces potential electricity shortfalls as anticipated energy supplies fall behind the rising demand, posing challenges for future grid stability ([Reuters](#)).
- Metals: Gold prices are making an attempt to move higher (spot gold +0.43%) as market conditions fluctuate ([FxE](#)). The London gold body is reviewing concerns about the purity of gold supplied by an Indonesian state miner, raising questions about market standards ([Reuters](#)).
- Agriculture: The first outbreak of bird flu in a Minnesota dairy herd has been reported, marking the state's first incident in cattle ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
<b>Equities</b>					
S&P 500	5,352.96	-1.07	0.0%	3.3%	12.2%
Nasdaq	17,173.12	-14.78	-0.1%	5.0%	14.4%
Dow Jones	38,886.17	78.84	0.2%	0.1%	3.2%
Euro Stoxx 50	5,069.09	33.43	0.7%	2.3%	12.1%
FTSE100	8,285.34	38.39	0.5%	0.9%	7.1%
TOPIX	2,757.23	9.01	0.3%	0.4%	16.5%
KOSPI	2,689.50	27.40	1.0%	0.5%	1.3%
Shanghai Comp	3,048.79	-16.61	-0.5%	-3.1%	2.5%
ASX200 Futures	7,852.00	18.00	0.2%	0.5%	3.5%
VIX Index	12.58	-0.05			
<b>Foreign Exchange</b>					
DXY	104.1040	-0.08	-0.1%	-0.9%	2.7%
AUDUSD	0.6668	0.00	0.1%	1.1%	-2.1%
EURUSD	1.0890	0.00	0.1%	1.3%	-1.3%
GBPUSD	1.2791	0.00	-0.1%	2.3%	0.5%
USDJPY	155.6100	-0.46	-0.3%	-0.6%	-9.4%
USDCHF	0.8896	0.00	-0.2%	2.1%	-5.4%
<b>Fixed Income - 10y</b>					
	%	bps		bps	bps
Aus (Fut.)	4.22%	-1.00		-9.00	26.00
United States	4.29%	1.15		-17.00	40.80
United Kingdom	4.17%	-1.06		4.97	64.31
Germany	2.55%	3.75		12.96	52.67
France	3.03%	4.29		13.21	47.16
Italy	3.86%	4.79		10.92	17.67
<b>Commodities</b>					
WTI Crude	75.55	1.48	2.0%	-3.7%	5.4%
Brent Crude	79.99	1.58	2.0%	-4.0%	3.8%
Copper c/lb	467.80	7.20	1.6%	0.9%	20.2%
Nickel	18,288.00	-780.00	-4.1%	-4.9%	10.1%
Zinc US\$/mt	2,864.00	-71.00	-2.4%	-1.3%	7.8%
Aluminium US\$/mt	2,622.00	-41.50	-1.6%	2.8%	10.0%
Iron Ore US\$/mt	112.25	3.60	3.3%	-5.3%	-17.7%
Gold US\$/oz t	2,376.06	8.80	0.4%	2.2%	15.2%
Silver US\$/oz t	31.33	0.91	2.9%	14.1%	31.6%
Bitcoin USD	70,763.29	74.56	0.1%	12.4%	66.5%
Lithium (ETF)	43.91	-0.17	-0.4%	-5.2%	-13.8%
<b>DLCs</b>					
	Last Price	Aud Price			Spread
Rio PLC	5,409.00	103.77	1.8%	-1.1%	20.0%
South 32 - Lon	200.00	3.84	0.8%	5.9%	0.9%
South 32 - J'burg	4,843.00	3.83	1.3%	9.7%	1.0%
Virgin Money	214.00	4.11	0.3%	-0.6%	-0.4%
NWS A	27.71	41.56	-0.6%	12.8%	2.5%
<b>ADRs</b>					
	Last Price	Aud Price			Spread
BHP	59.70	44.77	1.8%	5.0%	-1.6%
Rio	69.20	103.78	1.8%	-0.9%	20.0%
CSL	96.55	289.59	1.0%	5.3%	0.0%
James Hardie	31.02	46.52	-0.1%	-14.5%	-0.6%
ResMed	211.56	31.73	-0.8%	-2.5%	0.9%
Amcor	10.16	15.24	-0.5%	0.7%	0.9%
Square	66.40	99.58	2.5%	-9.7%	-1.4%

\*At time of writing

Source: Bloomberg

## CitiFirst Warrants

1300 30 70 70

[citifirst.warrants@citi.com](mailto:citifirst.warrants@citi.com)

For further information please contact the CitiFirst Sales desk on 1300 30 70 70. To unsubscribe, please email [citifirst.warrants@citi.com](mailto:citifirst.warrants@citi.com).

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