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Daily Market Overview

May 14, 2024

Overnight Headlines:

- GameStop's shares soared by 66% as influencer "Roaring Kitty" returned to the [X.com](#) app, hitting an 18-month high at \$38.20. The rally also lifted other meme stocks, with AMC jumping 48% and Koss Corp soaring 32%. Halted multiple times for volatility, GameStop's surge marked its sharpest one-day percentage gain since 2021, buoying hopes among investors and fans alike ([BBG](#)).
- Melinda French Gates announced her departure from the foundation she co-founded with ex-husband Bill Gates, receiving \$12.5 billion for her endeavors supporting women and families. The couple's divorce, finalized in 2021, included no public details on asset division. Melinda's departure prompts a renaming of the foundation to Gates Foundation, with Bill Gates assuming sole chairmanship, as they continue separate philanthropic paths ([Reuters](#)).
- President Emmanuel Macron signaled his willingness to allow a major French bank to be acquired by a European Union competitor to drive deeper financial integration, crucial for the bloc's future prosperity. Macron emphasized the need for consolidation within Europe, advocating for a more efficient single-market approach. This move, discussed during an interview at the Choose France investment summit in Versailles, could potentially reshape Europe's economic landscape, with Macron positioning French banks as key players in a transformative shift ([BBG](#)).

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
QBEJOA	\$451,238	Citi Buys	TLSJOA	200,000	Citi Sells
TLSJOA	\$426,000	Citi Sells	TAHKOA	156,250	Citi Sells
FXYKCP	\$411,750	Citi Buys	CHNKCB	130,000	Citi Sells
XJOMOQ	\$368,900	Citi Buys	RRLKOC	100,000	Citi Sells
FMGKOS	\$160,040	Citi Buys	FXYKCP	75,000	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
FBUJOB	2.6646	3.06	\$0.265	13/05/2024	15/05/2024

Overnight Summary:

RATES
AUS 3yr 96.05 (+1.0bp) AUS 10yr 95.66 (-0.5bp) US 10yr 4.49 (-1.0bp) Bund 10yr 2.51 (-0.7bp)
<ul style="list-style-type: none"> US bonds slightly advanced after being knocked off session highs by an increase in the New York's Fed 1y expected inflation rate, alongside several futures block sales including a \$530k/DV01 5y sale and a 2s7s steepener for around \$385k/DV01. 2y notes ended -0.43bps lower at 4.861% and the 10y ended -0.98bps lower at 4.487%, flattening the 2s10s curve by around -0.76bps (BBG). European bonds slightly advanced following an increase in the NY Fed one-year inflationary expectations. Markets added 1bp to ECB rate cut bets, pricing 23bps of easing in June, 28bps by July and 69bps by year end. Bunds saw the front-end lead gains, with the 2y down -1.27bps to 2.95% and the 10y down -0.72bps to 2.509%, whilst BTPs rallied across the curve, bar 10y BTPs which sold-off by +0.54bps to 3.859%. Ahead of UK weekly wage numbers for March and jobless figures for April which will be published Tuesday before trading opens, gilts erased gains. Traders bet on 12.5bps of BOE easing in June and 54bps by year end. Gilts underperformed its euro-peers, with the 2y up +2.02bps to 4.317% and the 10y up +0.83bps to 4.173% (BBG). Aussie bond futures were mixed with the 3y price up +1bp and the 10y price down -0.5bps.
EQUITIES
S&P500 5,221.42 (-0.02%) Stoxx600 520.86 (+0.02%) FTSE100 8,414.99 (-0.22%)

- U.S. markets are mostly unchanged overnight as markets await key inflation data later this week. The S&P500 is down -0.02%, the Dow Jones is down -0.21% while the NASDAQ is up +0.29%. On the S&P500, Information Technology (+0.48%) leads gains among the GICS sectors while Industrials (-0.45%) fell the most. Among individual movers, GameStop soared as much as +66% following a cryptic post on X from Keith Gail, known as "Roaring Kitty". Gail was a key figure in the Reddit rally that saw shares of GameStop surge 21x over two weeks in January 2021 before crashing to pre-surge levels in the following days. The recent post made no mention of GameStop. Names that were similarly shorted during the "meme rally" of 2021 also rose with AMC Entertainment up +48% and Koss Corp closing +32% higher ([BBG](#)). Alphabet gained +0.3% despite falling earlier in the session as Microsoft-backed OpenAI announced its AI-powered search engine. The proposed new search engine has the potential to challenge competition for search engine Google. Meta Platforms also fell -1.7% on the news ([Reuters](#)). Apple rose +1.8% after announcing it had closed in on an agreement with OpenAI to use their technology in the iPhone.
- European markets had a mixed session overnight which saw the Stoxx600 end flat (+0.02%) while the FTSE100 slipped -0.21%. The Stoxx600 had Health Care (+0.72%) as the top performing sector while Information Technology (-0.55%) led losses. On the FTSE100, Communication Services (+0.42%) was the best performing GICS sector while Industrials (-1.04%) fell the most. On the Stoxx600, AP Moeller-Maersk gained +7% to the stop of the index after receiving higher freight rates following increased trade volumes and the Red Sea crisis ([Reuters](#)). Swiss cement maker Holcim slipped -4% after trading ex-dividend. Diploma PLC rose +4.1% to the top of the FTSE100 after the technical products and services provider gave better-than-expected half-year results and provided a guidance upgrade. Diploma now expects constant-currency revenue growth of 16% for FY24, up 0.5% from previous guidance. Revenue of GBP638.3mn was up +9.5% from the prior year ([Morningstar](#)). On the FTSE100, Phoenix Group fell -2.3% after the insurer announced its CFO Rakesh Thakrar would be resigning ([MarketWatch](#)).

FOREIGN EXCHANGE

AUDUSD 0.6608 (+0.06%) | DXY 105.215 (-0.08%) | EURUSD 1.0788 (+0.11%)

- The dollar has traded -0.08% lower through the overnight session. NY inflation expectations rose to 3.26% from 3.00%, following last week's rise in UMich inflation expectations and exhibiting decent correlation with gas prices. Our NY desk however noted subdued activity, with a lack of significant conviction ahead of CPI limiting flows. Our US economists expect a slowing in core CPI to 0.31%MoM in April after three months of rounded 0.4% increases. They see risks as finely balanced, and note that while an April slowdown likely won't be enough for a June cut, details of Q2 inflation with core PCE inflation in a 0.20-0.25% monthly range should be enough to see the FOMC cut in July ([Citi](#)). Elsewhere, USDJPY saw a pop up toward 156.20 (+0.24%), though the move was not accompanied by significant flow and was likely a product of slightly higher US yields post-NY inflation expectations ([Citi](#)).
- In the high beta space, AUDUSD climbed +0.06% while the Kiwi advanced +0.12%. The Australian budget will be released today, with reports early this morning suggesting the Government will forecast a \$9.3bn surplus for FY24 (Citi exp \$11bn) ([AFR](#)). Our economists however overall say the government does not want to be seen promoting policies that add to the risk of further policy tightening, suggesting new spending will be pushed into the forward estimates. We expect new policy announcements to be focused around more subsidies for low-to-middle-income households, and other initiatives for business to invest in green technology ([Citi](#)).

- EURUSD advanced +0.11% to 1.0788, after having briefly broke past the pair's 200-DMA at 1.0792 and key psychological level of 1.08. Our strategists note that should spot hold >1.0810 post-CPI, the path is open to a climb past 1.10. Recent moves however lack engagement, making them difficult to chase ([Citi](#)). Event-risk vol for US CPI is sitting about 12%, versus 6.1% for one-week options ([BBG](#)). GBPUSD advanced +0.31% ahead of key labour data, where Consensus expects average weekly earnings at 5.5% YoY vs 5.6%, the ex-Bonus print coming at 5.9%. Unemployment rate should increase to 4.3% vs 4.2%, signalling loosening labour trends ([Citi](#)).

COMMODITIES

Gold 2,336.32 (-0.59%) | WTI 79.23 (+1.15%) | Copper 10186.00 (+1.82%) ^

- **Energy:** Oil prices continue to rose overnight, with WTI climbing 1.15% to \$79.23/bbl. The EIA reported that oil output in top US shale regions is expected to reach a six-month high in June ([Reuters](#)). Additionally, the Federal Energy Regulatory Commission plans a major overhaul of the US electric transmission system to enhance power delivery across the country ([Reuters](#)).
- **Metals:** Gold prices fell 0.59% overnight, settling around \$2,336.32/oz. The upcoming U.S. CPI data print could influence gold markets, by providing insight into the path of US inflation and Fed rate setting ([FXStreet](#)). Meanwhile, base metals are experiencing increased trading activity ([Reuters](#)). Copper climbed 1.82%, Zinc added 2.29% and Nickle added 1.47% since yesterday, reflecting the renewed investor interest in industrial commodities. Nvidia is now rivalling gold as an inflation hedge, reflecting the growing appeal of tech investments ([BBG](#)).
- **Agriculture:** Cocoa prices slid due to forecasts of beneficial rains in major growing nations, potentially improving crop yields ([BBG](#)). In the U.S., a reclassification proposal could spur fresh research and funding into the cannabis sector, possibly impacting agricultural and pharmaceutical industries ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,221.42	-1.26	0.0%	1.9%	9.5%
Nasdaq	16,388.24	47.37	0.3%	1.3%	9.2%
Dow Jones	39,431.51	-81.33	-0.2%	3.8%	4.6%
Euro Stoxx 50	5,078.96	-6.12	-0.1%	2.5%	12.3%
FTSE100	8,414.99	-18.77	-0.2%	5.2%	8.8%
TOPIX	2,724.08	-4.13	-0.2%	-1.3%	15.1%
KOSPI	2,727.21	-0.42	0.0%	1.7%	2.7%
Shanghai Comp	3,148.02	-6.53	-0.2%	4.3%	5.8%
ASX200 Futures	7,776.00	-8.00	-0.1%	-0.6%	2.5%
VIX Index	13.60	1.05			
Foreign Exchange					
DXY	105.2240	-0.11	-0.1%	-0.8%	3.8%
AUDUSD	0.6607	0.00	0.1%	2.6%	-3.0%
EURUSD	1.0789	0.00	0.2%	1.6%	-2.3%
GBPUSD	1.2558	0.00	0.3%	0.9%	-1.4%
USDJPY	156.2200	0.37	0.2%	-1.2%	-9.7%
USDCHE	0.9061	0.00	0.2%	0.4%	-7.3%
Fixed Income - 10y					
	%	bps		bps	bps
Aus (Fut.)	4.35%	1.00		7.00	38.00
United States	4.49%	-0.98		-3.51	60.75
United Kingdom	4.17%	0.82		3.70	64.34
Germany	2.51%	-0.72		15.13	48.77
France	2.99%	-0.52		13.42	43.83
Italy	3.86%	0.54		10.13	16.86
Commodities					
WTI Crude	79.12	0.86	1.1%	-7.6%	10.4%
Brent Crude	83.43	0.64	0.8%	-7.8%	8.3%
Copper o/lb	480.45	11.10	2.4%	12.8%	23.5%
Nickel	18,952.00	-81.00	-0.4%	3.2%	14.1%
Zinc US\$/mt	2,930.50	21.00	0.7%	7.1%	10.3%
Aluminium US\$/mt	2,529.50	-32.00	-1.2%	3.0%	6.1%
Iron Ore US\$/mt	117.20	-0.09	-0.1%	8.0%	-14.1%
Gold US\$/oz t	2,336.32	-13.17	-0.6%	-2.0%	13.2%
Silver US\$/oz t	28.20	0.11	0.4%	-2.3%	18.5%
Bitcoin USD	62,950.46	-138.87	-0.2%	-1.4%	48.1%
Lithium (ETF)	45.13	0.19	0.4%	2.4%	-11.4%
DLCs					
	Last Price	Aud Price			Spread
Rio PLC	5,564.00	105.76	-0.7%	3.5%	22.0%
South 32 - Lon	191.00	3.63	-0.3%	10.6%	-0.6%
South 32 - J/burg	4,429.00	3.65	0.3%	8.3%	-1.1%
Virgin Money	215.00	4.09	-0.2%	0.4%	-0.4%
NWS A	25.46	38.53	1.7%	4.5%	1.4%
ADRs					
	Last Price	Aud Price			Spread
BHP	57.18	43.27	0.0%	-2.4%	-0.1%
Rio	69.84	105.71	0.1%	5.8%	22.1%
CSL	92.14	278.92	-0.3%	0.7%	0.4%
James Hardie	36.38	55.06	-1.4%	-0.8%	-0.1%
RealMed	217.89	32.98	1.9%	17.2%	0.0%
Amcor	10.37	15.70	0.1%	16.4%	0.0%
Square	69.74	105.55	-2.2%	-9.4%	2.4%

*At time of writing

Source: Bloomberg

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