



CitiFirst Warrants (Australia)

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Daily Market Overview

September 16, 2024

Overnight Headlines:

- Global investors are increasingly buying up assets in Southeast Asia, driven by anticipated interest-rate cuts and appealing valuations. Over the past two months, funds have increased their investments in sovereign bonds from Thailand, Indonesia, and Malaysia. They've also been net buyers of equities from Indonesia, Malaysia, and the Philippines for three months. This influx has made Southeast Asian currencies the top performers among emerging markets this quarter, with regional stocks outpacing their peers ([BBG](#)).
- The S&P 500 has rebounded from its summer slump, notably without support from Big Tech. While companies like Nvidia and Microsoft previously drove the index's gains, attention has now shifted to other sectors. Real estate, utilities, and consumer staples are outperforming amid concerns about economic growth and anticipation of Federal Reserve rate cuts. Lower interest rates and improving economic indicators are boosting these cyclical stocks ([BBG](#)).
- China's property market is showing deeper declines in home prices as the impact of recent stimulus measures diminishes. In August, new-home prices in 70 cities dropped by 0.73%, a faster decline than the previous month's 0.65%. Used home prices also fell by 0.95%, compared to a 0.8% drop in July. Homebuyers are bracing for further decreases, highlighting the ongoing struggles in Beijing's efforts to stabilize the property sector ([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 Warrants by Value and Volume From Last Trading Day:

Warrant Code	Value	Citi	Warrant Code	Volume	Citi
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XJOMCX	\$1,213,088	Citi Sells	S32JOA	401,700	Citi Buys
XJOMOT	\$632,516	Citi Sells	ZSIKOJ	290,000	Citi Sells
NDXKCK	\$510,380	Citi Sells	FMGWOC	126,785	Citi Sells
XJOMOV	\$347,990	Citi Sells	KARKCG	125,000	Citi Sells
XJOMCT	\$336,980	Citi Sells	WAFKCA	123,077	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
BHPKOS	46.1283	39.51	\$6.61	13/09/2024	17/09/2024
FMGKCR	20.3405	17.29	\$3.07	13/09/2024	17/09/2024
GMGKOP	41.8851	35.6	\$6.34	13/09/2024	17/09/2024
MQGKCR	270.3790	229.79	\$40.4	13/09/2024	17/09/2024
NSTKCP	19.3238	15.41	\$3.75	13/09/2024	17/09/2024
RIOKOP	131.4778	113.06	\$18.32	13/09/2024	17/09/2024
XJOKCQ	8604.3399	8100	\$4.84	13/09/2024	17/09/2024

Overnight Summary:

RATES	
AUS 3yr 96.57 (+0.2bp) AUS 10yr 96.16 (-1.0bp) US 10yr 3.65 (-2.3bp) Bund 10yr 2.15 (-0.2bp)	
<ul style="list-style-type: none"> US: US treasuries advanced on Friday as the market re-priced Fed OIS, with a 50bps cut back on the table. Fed dated OIS priced September at 35bps, vs 30bps at Thursday's close at 26bps earlier in the week. Year-end sees 115bps of cuts, versus 110bps. Volumes were higher, seeing October Fed futures at 581k, the second highest after Sep 6 where jobs printed weaker. Front end yields led gains, with the 2y down -5.68bps to 3.582% and the 10y down -2.27bps to 3.651%, steepening the 2s10s and 5s30s curve by 4bps and 3bps respectively, the steepest YTD. Citi notes that 10y remains at the support level at 3.65% and that front end longs could be liquidated dependent on language from the Fed this coming week (BBG, Citi). EU: European bonds bull steepened alongside US treasuries following Lagarde commenting that policymakers could consider an October cut if the economy suffers a major setback. Money markets now price 7bps of cuts into October, versus 5bps at Thursday's close. The 2y bund ended -1.42bps lower to 2.206% and the 10y ended -0.53bps to 2.017%. The BTP-bund spread tightened by 3bps to 136bps, with 10y BTPs leading gains across the curve, -3.14bps lower to 3.509%. BOE rate cut wagers were added to, with 50bps expected by year end, 5bps more than previous. 2y gilts ended -1.8bps lower to 3.797% and the 10y ended -1.33bps to 3.767% (BBG). 	

- AU: Aussie bond futures ended Friday mixed, with the 3y price up +0.2bps and the 10y down -1bp.

EQUITIES

S&P500 5,626.02 (+0.54%) | Stoxx600 515.95 (+0.76%) | FTSE100 8,273.09 (+0.39%)

- US equities ended Friday higher with all three major indexes finishing in positive territory. The moves came as New York Fed President Bill Dudley said there was a strong case for a 50bps rate cut at the upcoming meeting. On the S&P500, all GICS sectors traded higher with Utilities (+1.41%) the top performer. Among individual names, Uber (+6.45%) rose with the ride-sharing platform announcing it would bring autonomous ride hailing to Austin and Atlanta as part of a partnership with Google's Waymo ([WSJ](#)). Adobe (-8.47%) fell after forecasting 4Q earnings below estimates. Adobe expects revenue for the fourth quarter to be between \$5.50 billion and \$5.55 billion, below expectations of \$5.61bn as it faces competition from startups including Stability AI and soft demand for its own AI-integrated editing tools ([WSJ](#)). Boeing (-3.69%) fell after its US West Coast factory workers walked off in strike after overwhelmingly rejecting a new contract deal ([WSJ](#)).
- European shares also finished Friday higher with the Stoxx600 up +0.76%. Gains were supported by Information Technology (+1.14%) and Real Estate (+1.12%) sectors and losses were led by Consumer Staples (-0.08%). Endeavour Mining rose as it achieved first commercial production from two West African projects. The company said it remains on track to meet production and cost targets for the year after announcing on Friday it had dug out the first gold ores from the projects ([Morningstar](#)). Worldline (-14.38%) hit a record low following another profit warning and announcing the departure of its CEO. Worldline said it now expected organic revenue growth of about 1% for 2024, against a previous forecast of 2-3% ([Reuters](#)).

FOREIGN EXCHANGE

AUDUSD 0.6704 (-0.19%) | DXY 101.114 (-0.01%) | EURUSD 1.1075 (-0.06%)

- The dollar failed to take much direction from steeper treasury curves, briefly breaking below 101.00 before correcting back towards 101.10 during the NY afternoon to be broadly flat. Michigan data looked to support just a 25bp cut this week; 1y inflation expectations fell to 2.7%, the lowest level since December 2020, though 5y-10y inflation expectations, which the Fed prefers, moved up to 3.1% from 3.0% prior. USDJPY declined -0.28%, with 140.50 holding as a key support level in NY hours. ([Citi](#)).
- Both the Aussie and Kiwi saw moves lower on Friday night, with the two down -0.19% and -0.37% respectively. Aussie Labour data along with Kiwi GDP this week could create two-way risks for the cross, though risk of further upside may outweigh risk of further downside near-term according to our FX strategists ([Citi](#)). Additionally, our FX quants estimate \$7.3b of dividends to be paid by Aussie mining corporates between September 18 and October 3 could weigh on AUD, wherein AUD dividend payments to foreign investors have to be converted back to said investors domestic currency ([Citi](#)).
- EURUSD attempted to surpass the key 1.1100 resistance level but failed, finishing down -0.06%.

COMMODITIES

Gold 2,577.70 (+0.48%) | WTI 68.65 (-1.01%) | Copper 9308.00 (+1.00%) ^

- **Energy:** Oil prices retreated gains on Friday with Brent (-0.98%) and WTI (-1.01%) both falling. The move comes as US oil firms in the Gulf of Mexico ramp up production following hurricane disruptions which affected up to 42% of output from the region. Also weighing on the price was additional demand bought online as reports showed US energy firms added to oil and natural gas rigs for the first time five weeks. Oil and gas rig count rose by 590 which was the largest weekly increase since September 2023 ([Reuters](#)).
- **Metals:** Spot gold continued to climb on Friday to reach a new historic high of \$2,577.70/oz. The price of the metal is on track for its strongest annual performance since 2020 with a rise of +24% driven largely by safe-haven buying in the face of economic and geopolitical uncertainty ([Reuters](#)). Silver (+2.24%), Copper (+1.00%), Zinc (+1.68%) and Aluminium (+2.32%) also gained.

*At time of writing

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,626.02	30.26	0.5%	1.3%	18.0%
Nasdaq	17,683.98	114.30	0.7%	0.3%	17.8%
Dow Jones	41,393.78	297.01	0.7%	1.8%	9.8%
Euro Stoxx 50	4,843.99	29.91	0.6%	0.1%	7.1%
FTSE100	8,273.09	32.12	0.4%	-0.5%	7.0%
TOPIX	2,571.14	-21.36	-0.8%	-4.0%	8.7%
KOSPI	2,575.41	3.32	0.1%	-4.5%	-3.0%
Shanghai Comp	2,704.09	-13.03	-0.5%	-6.1%	-9.1%
ASX200 Futures	8,116.00	16.00	0.2%	2.6%	7.0%
VIX Index	16.56	-0.51			
Foreign Exchange					
DXY	101.1140	0.00	0.0%	-1.4%	-0.2%
AUDUSD	0.6704	0.00	-0.2%	0.5%	-1.6%
EURUSD	1.1076	0.00	0.0%	0.4%	0.3%
GBPUSD	1.3122	0.00	-0.1%	1.4%	3.1%
USDJPY	140.8700	-0.22	-0.2%	4.8%	0.1%
USDCHF	0.8482	0.00	-0.1%	2.1%	-0.8%
Fixed Income - 10y					
	%	bps		bps	bps
Aus (Fut.)	3.84%	1.00		-9.70	-12.70
United States	3.65%	-2.18		-23.03	-22.68
United Kingdom	3.77%	-1.34		-15.74	23.75
Germany	2.15%	-0.21		-9.86	12.53
France	2.83%	-1.20		-14.01	28.02
Italy	3.51%	-3.14		-12.21	-18.12
Commodities					
WTI Crude	68.65	-0.32	-0.5%	-12.4%	-4.2%
Brent Crude	71.61	-0.36	-0.5%	-11.3%	-7.0%
Copper c/lb	417.50	4.20	1.0%	3.0%	7.3%
Nickel	15,944.00	-192.00	-1.2%	-2.3%	-4.0%
Zinc US\$/mt	2,904.50	48.50	1.7%	8.0%	9.3%
Aluminium US\$/mt	2,471.00	55.50	2.3%	6.0%	3.6%
Iron Ore US\$/mt	92.70	0.12	0.1%	-3.0%	-32.0%
Gold US\$/oz t	2,577.70	10.66	0.4%	4.6%	25.0%
Silver US\$/oz t	30.72	0.68	2.2%	10.3%	29.1%
Bitcoin USD	59,622.32	-186.52	-0.3%	0.5%	40.3%
Lithium (ETF)	37.14	-0.54	-1.4%	2.1%	-27.1%
DLCs					
	Last Price	Aud Price			Spread
Rio PLC	4,757.00	93.10	0.8%	0.1%	19.7%
South 32 - Lon	163.00	3.19	2.9%	5.8%	0.0%
South 32 - J'burg	3,782.00	3.18	2.9%	7.6%	0.4%
Virgin Money	216.80	4.24	-0.1%	0.5%	-0.1%
NWS A	26.14	38.99	0.7%	-5.2%	3.8%
ADRs					
	Last Price	Aud Price			Spread
BHP	52.89	39.45	1.3%	0.5%	0.4%
Rio	62.55	93.30	1.0%	-0.3%	19.4%
CSL	100.90	301.01	-1.0%	0.7%	-0.3%
James Hardie	36.09	53.83	0.2%	10.2%	-1.2%
ResMed	248.93	37.13	-0.7%	9.6%	-0.6%
Amcor	10.99	16.39	1.0%	1.3%	-0.6%
Square	63.99	95.45	0.5%	-0.4%	-0.9%

Source: Bloomberg

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