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Daily Market Overview

January 10 2025

- A new report from the Australian Competition and Consumer Commission announced Australia is forecast to have a gas surplus and lower prices this year, despite the earlier shortfall concerns. The report predicts an East Coast market surplus of 77 to 112 petajoules; the exact surplus depends on LNG producer's uncontracted exports. The surplus and falling international prices are expected to drive down domestic prices for gas extracted last year and sold in FY25 ([Capital Brief](#)).
- Philadelphia Federal President Patrick Harker signalled the Fed is taking a cautious approach to interest cuts in 2025 amid the economic uncertainty. Harker said there are further cuts on the table this year but are dependent on incoming data. With Harker's retirement coming up in June, he has advocated a pause in cuts to assess economic conditions before making further moves ([Reuters](#)).
- According to a Bloomberg Intelligence survey, global banks expect to cut up to 200,000 jobs - a net 3% of their workforce - over the next three to five years as artificial intelligence (AI) takes on more tasks traditionally performed by humans. The survey showed back and middle office, and operation, are most at risk. BI also predict that the adoption of AI will lead to improved earnings, with a 12% to 17% boost to bank's pretax profits by FY27; roughly A\$290B in productivity gains ([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
CBAKOA	\$633,700	Citi Sells	MP1JCD	178,000	Citi Sells
MP1JCD	\$280,590	Citi Sells	DEGKOB	100,000	Citi Buys
BHPKOA	\$243,188	Citi Buys	SGRKCB	100,000	Citi Sells
XJOKOQ	\$195,707	Citi Buys	WHCKCD	64,443	Citi Buys
LOVKCC	\$194,029	Citi Sells	NICKOC	50,000	Citi Sells

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
MP1KOB	5.9623	6.78	\$0.800	9/01/2025	13/01/2025
WGKKOA	2.2649	2.71	\$0.390	9/01/2025	13/01/2025
LOVKOB	25.0754	28.78	\$3.490	9/01/2025	13/01/2025
NSTKCQ	20.1347	16.1	\$3.980	9/01/2025	13/01/2025
MQGKOP	275.7439	234.36	\$41.320	9/01/2025	13/01/2025

Overnight Summary:

RATES	
AUS 3yr 96.10 (-1.0bp) AUS 10yr 95.46 (-2.0bp) US 10yr 4.69 (+0.0bp) Bund 10yr 2.57 (+1.8bp)	
<ul style="list-style-type: none"> US: USTs rallied overnight in a shortened trading session, due to the national day of mourning for ex-president Jimmy Carter, ahead of NFP tonight. 10y yields closed little changed at 4.69%, however had dropped as much as 3.6bps earlier in the session following Philadelphia Fed President, Harker and Boston Fed President, Collins, reiterating that the FOMC was on track to cut rates further up ahead. (BBG). However, Fed Governor Bowman's stated that she sees lingering inflation and prefers a gradual approach to easing policy on the back of the economy's ongoing strength. (BBG). Elsewhere, Non-farms payroll data is expected to show a gain of 164,000 however Citi is forecasting a weaker job growth of 120,000 and the U/R rate to rise to 4.4%. (Citi). Overall, US 2y yields -1.88bps to 4.264% and the 2s10s curve continued to steepen up 2.1bps from yesterday. EU: European bonds sold-off across the curve overnight with large moves in the belly evident in Bund 5y yields +3.17bps and OAT 5y yields +5.39bps as the market continues to estimate the ECB neutral rate. The ECB is priced to hit their terminal rate of 2% by mid-2025, 25bps higher than the estimates in 2024. (BBG). Meanwhile, ECB Executive Board member, Cipollone stated her concerns that <i>"keeping demand low currently to safeguard against future inflation shocks is counterproductive"</i>. (BBG). Elsewhere, in the UK, Gilt yields continued to rise, albeit at a slower pace than the past few days with 10y yields +1.49bps to 4.81% as Chancellor Reeve's deputy stated that the <i>"UK Gilt market continues to function in an orderly way"</i>. AU: Aussie bond futures bear steepened overnight with 3y prices -1bps and 10y prices -2bps. 	

EQUITIES

S&P500 5,918.25 (+0.16%) | Stoxx600 515.84 (+0.42%) | FTSE100 8,319.69 (+0.83%)

- **US:** US equities markets were closed on Thursday due to a mourning day for their late president Jimmy Carter.

EU: European stocks rose on Thursday, with the Stoxx600 (+0.49%) rising despite the MoM retail sales numbers for the Euro area printing in at 0.1%, which was below the market expectations of 0.4%. Among the GICS sector, all sectors gained with Healthcare (+1.11%) being the top performer while Utilities (+0.02%) was the weakest growing sector after oil prices rose. Among the individual names, Bavarian Nordic (+3.83%) rose after the company announced the initiation of a share buy-back program of up to DKK 150 million (BBG). On the other hand, European plane maker Airbus (-1.26%) fell after they missed their delivery target for 2024. Airbus delivered 766 planes in 2024, which was higher than the 735 aircrafts Airbus delivered to clients in 2023, but less than the 800 planes it initially hoped to deliver in 2024 (BBG). Additionally, UK retail company B&M (-8.52%) fell after they revised their adjusted EBITDA guidance for FY25 to a range of £620-650m from £620-660m (BBG).

FOREIGN EXCHANGE

AUDUSD 0.6199 (+0.02%) | DXY 109.173 (+0.02%) | EURUSD 1.0301 (0.00%)

- Yesterday the DXY rose +0.2% to 109.173. Overnight, Federal Reserve Governor Michelle Bowman said she sees lingering inflation risks and that policymakers should proceed cautiously with further interest-rate cuts (BBG). USDJPY fell -0.03% last night to 158.11. This is the first drop of the week as the Bank of Japan indicated it sees progress in wage gains, while refraining from giving any clear hints on whether an interest-rate hike is coming this month (BBG).
- The AUDUSD pair rose +0.02% to 0.6199. Australian inflation slipped in November, with the trimmed mean core measure slowing to 3.2% from 3.5% in the prior month. The Australian dollar fell and money markets now see a 70% chance of a 25-basis-point reduction in the benchmark target rate in February. Economists expect the Reserve Bank of Australia's next move would be to ease rates, but are divided on the timing given sticky core inflation and an uncertain global backdrop (BBG). NZDUSD dropped 0.12% to 0.5603.
- EURUSD went unchanged yesterday, staying at 1.0301. ECB Executive Board member Piero Cipollone recently stated there is excessive concern about possible future inflation shocks that could be harmful to the economy (BBG). The GBPUSD pair dropped -0.02% yesterday to 1.2310. One-week implied volatility in GBP/USD rises 108 basis points to 12.08%, the highest since Nov. 6. Investors are worried about the UK's economic outlook, citing persistent inflation, a ballooning government debt pile, and tepid economic growth, leading to a loss of faith in the UK as a place to invest (BBG).

COMMODITIES

Gold 2,670.43 (+0.36%) | WTI 74.12 (+1.07%) | Copper 9078.00 (+0.52%) ^

- **Energy:** Oil continued its gains from the day before with Brent up 1.23% to \$77.10 and WTI up 1.07% to \$74.12. This was primarily on the back of the prolonged cold snap in Europe and North America driving demand for winter fuel. According to the National Weather Services this winter storm extended to parts of Texas, West Virginia, Arkansas, Tennessee, and Kentucky which aren't usually well equipped to withstand cold

temperatures. It's estimated that for every degree Fahrenheit the temperature drops below its 10-year average, there is a 113,000-bpd increase in demand for heating oil. President Biden is also expected to announce new sanctions against Russia which may further impact prices ([Reuters](#)).

- **Metals:** Spot Gold extended to a 4-week peak rising 0.36% to finish at \$2,670.41. Demand for safe-haven assets is driving prices with increased uncertainty surrounding trump's rhetoric and geopolitical developments casting uncertainty over the outlook for global growth. Tariffs will likely cause upward pressure on prices which will drive demand for gold which is largely viewed as a hedge against inflation. Investor's will also be looking to non-farm payrolls data to determine the outlook for Fed cuts which again will cause some price action for gold. Beyond this spot silver declined to \$30.10 (-0.15%), platinum fell to \$953.55 (-0.20%) and palladium retraced to \$920.75 (0.80%) ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,918.25	9.22	0.2%	-1.9%	0.6%
Nasdaq	19,478.88	-10.80	-0.1%	-1.1%	0.9%
Dow Jones	42,635.20	106.84	0.3%	-3.6%	0.2%
Euro Stoxx 50	5,017.91	21.52	0.4%	0.7%	2.5%
FTSE100	8,319.69	68.66	0.8%	-0.4%	1.8%
TOPIX	2,735.92	-34.08	-1.2%	-0.2%	-1.8%
KOSPI	2,521.90	0.85	0.0%	4.3%	5.1%
Shanghai Comp	3,211.39	-18.78	-0.6%	-6.2%	-4.2%
ASX200 Futures	8,336.00	26.00	0.3%	-0.9%	2.3%
VIX Index	18.07	0.37			
Foreign Exchange					
DX	109.1670	0.09	0.1%	2.8%	0.6%
AUDUSD	0.6196	0.00	-0.1%	-3.8%	0.1%
EURUSD	1.0301	0.00	-0.1%	-2.4%	-0.5%
GBPUSD	1.2311	0.00	-0.2%	-3.4%	-1.6%
USDJPY	158.1100	0.05	0.0%	-4.4%	-0.6%
USDCHF	0.9123	0.00	0.2%	-3.7%	-0.5%
Fixed Income - 10y	%	bps		bps	bps
Aus (Fut.)	4.54%	2.00		39.30	14.50
United States	4.69%	-0.06		46.30	11.83
United Kingdom	4.81%	1.53		48.75	24.47
Germany	2.56%	1.84		44.50	20.01
France	3.39%	3.96		51.48	20.13
Italy	3.71%	3.36		50.44	19.06
Commodities					
WTI Crude	74.17	0.85	1.2%	8.5%	3.4%
Brent Crude	77.14	0.98	1.3%	6.9%	3.3%
Copper c/lb	431.75	5.90	1.4%	2.2%	7.2%
Nickel	15,451.00	53.00	0.3%	-3.7%	0.8%
Zinc US\$/mt	2,825.00	-50.50	-1.8%	-8.0%	-5.2%
Aluminium US\$/mt	2,498.50	-19.00	-0.8%	-4.0%	-2.1%
Iron Ore US\$/mt	97.85	0.03	0.0%	-7.5%	-5.6%
Gold US\$/oz t	2,669.71	11.31	0.4%	0.4%	1.7%
Silver US\$/oz t	30.11	-0.02	-0.1%	-5.4%	4.2%
Bitcoin USD	92,380.01	-2,077.89	-2.2%	-4.7%	-1.4%
Lithium (ETF)	40.63	-0.45	-1.1%	-11.4%	-0.4%
Uranium (ETF)	24.04	-0.18	-0.74	-5.35	-3.30
DLCs	Last Price	Aud Price			Spread
Rio PLC	4,806.00	95.49	1.8%	-6.0%	22.0%
South 32 - Lon	169.20	3.36	0.4%	-8.8%	0.5%
South 32 - J'burg	3,943.00	3.36	0.4%	-7.0%	0.6%
Alcoa	36.00	58.10	-0.7%	-14.3%	-0.7%
NWS A	27.47	44.34	-0.5%	-6.5%	10.3%
ADRs	Last Price	Aud Price			Spread
BHP	48.72	39.32	1.1%	-9.4%	-0.1%
Rio	58.63	94.63	0.8%	-9.6%	23.1%
CSL	89.58	289.15	0.7%	-1.2%	-0.6%
Japani Hardin	24.42	59.22	0.7%	12.2%	0.2%

*At time of writing

Source: Bloomberg

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