



NOT A PRODUCT OF CITI RESEARCH

Daily Market Overview

May 3, 2024

Overnight Headlines:

- Apple sales dropped less than feared, specifically performing in China better than expected. Revenue fell 4.3% to \$90.8 billion in the fiscal second quarter, which ended March 30, compared to \$90.3bn expected by the market. Earnings amounted to \$1.53 a share in the second quarter, exceeding the \$1.50 analysts had estimated. Apple increased its dividend 4% to 25 cents a share, in line with expectations and the board approved plans to buy back an additional \$110 billion of the company's stock ([BBG](#)).
- Despite a stable figure of Americans filing unemployment claims, labor market tightness persists with weekly jobless claims at 208k unchanged, supporting second-quarter economic prospects. Economists dismiss concerns over sluggish productivity growth in the first quarter, attributing it to seasonal biases. Productivity stagnation and surging labor costs hint at inflationary pressures and squeezed profit margins, with productivity inching up by 0.3% and unit labor costs surge by 4.7% ([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 Warrants by Value and Volume From Last Trading Day:

Warrant Code	Value	Citi	Warrant Code	Volume	Citi
XJOKOU	\$911,720	Citi Buys	ZSIKOA	235,000	Citi Sells
FMGKOP	\$387,450	Citi Buys	KARKOC	150,000	Citi Buys
NI2KCB	\$382,450	Citi Sells	NI2KCB	150,000	Intraday

SPFKCC	\$349,000	Citi Buys	XJOKOU	128,000	Intraday
GMGKCC	\$305,771	Citi Sells	ZSIKCE	110,000	Citi Sells

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
BAPJOB	3.5569	4.09	\$0.635	2/05/2024	6/05/2024
BAPJOC	4.1453	4.77	\$0	2/05/2024	6/05/2024
BAPKCC	4.3430	4.99	\$0	2/05/2024	6/05/2024
IELJCA	13.7230	15.78	\$2.08	2/05/2024	6/05/2024
SPKKOB	3.7047	4.26	\$0.555	2/05/2024	6/05/2024
TLSJOE	3.1145	3.59	\$0.475	2/05/2024	6/05/2024
WBACKOR	29.6283	26.07	\$3.53	2/05/2024	6/05/2024
WDSKCA	23.7379	27.3	\$3.37	2/05/2024	6/05/2024
WOWJOD	27.2992	31.38	\$3.49	2/05/2024	6/05/2024
WOWKCC	26.8373	30.86	\$3.88	2/05/2024	6/05/2024

Overnight Summary:

RATES
AUS 3yr 95.96 (+2.0bp) AUS 10yr 95.57 (+2.5bp) US 10yr 4.58 (-4.9bp) Bund 10yr 2.54 (-4.3bp)
<ul style="list-style-type: none"> US bonds bull steepened following the Fed hike tail risk being pushed behind. Gains were pared slightly following data showing that initial claims for state unemployment benefits were unchanged at a seasonally adjusted 208,000 for the week ended April 27, whilst unit U.S. labour costs - the price of labour per single unit of output - jumped to a 4.7% rate in the first quarter after being unchanged in the previous three months. Labor costs increased at a 1.8% pace from a year ago. 2y treasuries ended -8.54bps richer at 4.875% whilst the 10y ended -4.72bps lower at 4.581%, steepening the 2s10s curve by +3.82bps. As Fed commentary continued to affect the market, block trades in futures helped the rally, including a \$290k/DV01 Treasury 5y buyer and a large SOFR buyer (BBG). European bonds bull steepened led by gilts, as money markets raise wagers on BOE rate cuts, specifically skewed towards 2025, adding 8bps to cutting bets this year, as well as 12bps in 2025. 5y gilts outperformed by 5bps on the 2s5s30s fly, the most since 8 March. 2y gilts ended -8.03bps lower at 4.418% whilst the 10y similarly ended at 4.286% (-7.98bps). Other euro-area also advanced, lagging gilts. ECB rate cut bets were pared back by 1-2bps, with 28bps expected by July and 65bps by year end. Bunds saw even gains across the curve with 2y bunds down -4.48bps at 2.985% and 10y bunds down -4.24bps at 2.54%. The BTP-bund spread was mostly unchanged seeing 2y BTPs rallying by -4.52bps to 3.478% and the 10y down -5.42bps to 3.859% (BBG). Aussie bond futures bull flattened with the 3y price up +2bps and the 10y price up +2.5bps.

EQUITIES

S&P500 5,064.20 (+0.91%) | Stoxx600 503.21 (-0.22%) | FTSE100 8,172.15 (+0.63%)

- U.S. markets ended higher overnight with the Federal Reserve providing a more dovish interest rate guidance. Despite keeping rates on hold, Fed Chair Jerome Powell's assurances on Wednesday that the central bank's next move will be to lower its policy rate provide the market with increased optimism. The S&P500 rose +0.91%, the Dow Jones added +0.85% and the NASDAQ added +1.51%. Materials (-0.51%) and Health Care (-0.11%) were the only two sectors on the S&P500 to record losses. Information Technology was the best sector up +1.64%. Consumer electronics giant Apple gained late after narrowly beating estimates for its fiscal 2Q. The company reported earnings of \$1.53 per share, beating expectations of \$1.51 per share. Apple also raised its quarterly dividend by 4% to 25 cents a share and the board authorised a \$110bn share repurchase plan. At the time of writing, Apple is up +6.5% ([IBD](#)). Used car platform Carvana surged +33.8% after beating analyst expectations for 1Q profit (\$49mn vs \$31.2mn expected). The result comes as higher interest rates see a shift in consumer purchasing behaviour toward second-hand cars ([Reuters](#)). Online marketplace Etsy slumped -15.0% after missing expectations for 1Q sales. Gross merchandise sales were \$2.99bn while analyst had been hoping for \$3.03bn. Chief Executive Josh Silverman noted that the disappointing result was partly due to "squeezed" customer wallets ([IBD](#)).
- European markets were mixed with the Stoxx600 declining -0.22% while the FTSE100 added +0.63% on the back of strong earnings from Shell and Standard Chartered. On the Stoxx600, Real Estate was the best sector up +1.13% while Information Technology fell the most (-1.73%). The FTSE100 had better sector-wise performance with Real Estate the best sector up +1.73% while Industrials was the only sector to record a loss (-0.13%). Shell rose +1.9% after reporting better-than-expected 1Q profit with higher oil prices and higher refining margins helping the result. The energy giant reported 1Q profit of \$7.7bn, far exceeding expectations of \$6.46bn. The company also announced a \$3.5bn buyback ([Reuters](#)). Standard Chartered rose +8.8% to the top of the FTSE100 with the emerging markets lender posting a 1Q pretax profit beat of \$1.91bn (vs. \$1.39bn expected). The bank saw an increase in income from its trading and wealth units while profits at its investment banking division climbed +13% over the quarter ([Reuters](#)). Helping to pull the Stoxx600 down was Hugo Boss, which fell -6.9% to be the worst performer on the index after flagging weak demand in China and poor U.S. consumer sentiment. Despite current efforts to expand, opening 102 new stores in 2023, the German company has warned of slower sales growth with Chief Financial Officer Yves Mueller saying poor consumer sentiment in the U.S. may be impacted by uncertainties including the upcoming presidential election ([Reuters](#)).

FOREIGN EXCHANGE

AUDUSD 0.6566 (+0.41%) | DXY 105.384 (-0.23%) | EURUSD 1.0726 (+0.04%)

- The dollar weakened -0.23% overnight as treasury yields continued to ease following Wednesday's FOMC meeting ([BBG](#)). In terms of overnight data, Initial Jobless claims came in soft at 208k vs 211k expected. Our Econ team notes there is nothing concerning in this data as unit labor costs and productivity in Q1 showed slower growth, strong hiring and large price increases. Growth/hiring (productivity) is therefore weak and price per unit labor is strong, which is the exact opposite of Q4 when core inflation was soft, and growth was very strong. Also, there has been a lot of attention on NFIB hiring plans trending lower over the past couple of months and April's data printed today at 12%, up from the

11% previously. Our econ team notes that this is not too surprising after several consecutive months of declines ([Citi](#)).

- USDJPY moved -1.13% lower, with a differentiated reaction to this round of MOF intervention - thanks to US rates. [BoJ data](#) confirmed the MOF likely intervened with JPY3.5tn/USD22.5bn in the overnight move ([Citi](#)).
- The Aussie and Kiwi advanced +0.41% and +0.40% respectively on the broad based dollar weakness overnight.

COMMODITIES

Gold 2,302.85 (-0.36%) | WTI 78.99 (-0.63%) | Copper 9766.00 (-1.31%) ^

- **Energy:** Oil prices have risen with the U.S. considering replenishing its Strategic Petroleum Reserve, reflecting on supply anxieties ([Reuters](#)). The U.S. has flagged that Russia is shipping oil to North Korea above UN-mandated levels, raising geopolitical tensions and potential sanctions implications ([Reuters](#)). Following the deal in December, OPEC's new oil output cuts are in place, influencing global oil supply levels ([Reuters](#)). WTI fell 0.63% to 78.99.
- **Metals:** Gold settled around unchanged at \$2,302.85/oz (-0.36% DoD), and base metals were mostly lower again - with copper down 1.31% to \$9766. Despite the restart of European smelters, zinc prices remain high, undeterred by potential increases in supply ([Reuters](#)). Canada has posted a surprise trade deficit as gold exports fell in March, affecting the precious metals market ([Reuters](#)).

*At time of writing

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,064.20	45.81	0.9%	-2.7%	6.2%
Nasdaq	15,840.96	235.48	1.5%	-2.5%	5.5%
Dow Jones	38,225.66	322.37	0.9%	-2.4%	1.4%
Euro Stoxx 50	4,890.61	-30.61	-0.6%	-3.0%	8.2%
FTSE100	8,172.15	50.91	0.6%	3.0%	5.7%
TOPIX	2,728.53	-0.87	0.0%	0.8%	15.3%
KOSPI	2,683.65	-8.41	-0.3%	-0.9%	1.1%
Shanghai Comp	3,104.82	-8.22	-0.3%	0.9%	4.4%
ASX200 Futures	7,636.00	35.00	0.5%	-2.5%	0.7%
VIX Index	14.68	-0.71			
Foreign Exchange					
DX	105.3980	-0.27	-0.3%	0.6%	4.0%
AUDUSD	0.6565	0.00	0.4%	0.0%	-3.6%
EURUSD	1.0724	0.00	0.1%	-1.0%	-2.9%
GBPUSD	1.2534	0.00	0.1%	-0.9%	-1.5%
USDJPY	153.7000	-1.74	-1.1%	-1.3%	-8.2%
USDCHE	0.9102	0.00	-0.1%	-0.8%	-7.6%
Fixed Income - 10y					
	%	bps		bps	bps
Aus (Fut.)	4.44%	-2.00		29.50	47.50
United States	4.58%	-4.68		23.39	70.21
United Kingdom	4.28%	-8.01		23.16	75.56
Germany	2.54%	-4.23		14.63	51.89
France	3.02%	-3.16		11.59	46.38
Italy	3.85%	-5.42		0.83	16.87
Commodities					
WTI Crude	78.95	-0.05	-0.1%	-7.3%	10.2%
Brent Crude	83.69	0.25	0.3%	-5.9%	8.6%
Copper c/lb	449.40	-5.85	-1.3%	10.4%	15.5%
Nickel	18,879.00	-359.00	-1.9%	12.7%	13.7%
Zinc US\$/mt	2,881.00	-45.00	-1.5%	18.1%	8.4%
Aluminium US\$/mt	2,577.50	-14.00	-0.5%	10.3%	8.1%
Iron Ore US\$/mt	117.35	-0.69	-0.6%	17.0%	-13.9%
Gold US\$/oz t	2,303.83	-9.67	-0.4%	1.0%	11.7%
Silver US\$/oz t	26.68	0.14	0.5%	2.1%	12.1%
Bitcoin USD	59,330.97	587.84	1.0%	-9.8%	39.6%
Lithium (ETF)	45.63	1.57	3.6%	0.6%	-10.4%
DLCs					
	Last Price	Aud Price			Spread
Rio PLC	5,442.00	103.90	0.3%	6.4%	24.3%
South 32 - Lon	184.90	3.53	2.5%	17.1%	0.6%
South 32 - J'burg	4,281.00	3.52	-0.8%	14.8%	1.0%
Janus Henderson	31.96	48.68	2.6%	0.4%	#VALUE!
Virgin Money	214.60	4.10	0.2%	-0.7%	0.1%
NWS A	24.00	36.56	0.7%	-5.9%	3.8%
ADRs					
	Last Price	Aud Price			Spread
BHP	55.58	42.33	1.1%	-6.1%	0.1%
Rio	68.28	104.01	1.2%	4.9%	24.1%
CSL	91.05	277.38	2.1%	-2.2%	-0.7%
James Hardie	35.10	53.47	1.3%	-10.7%	-0.2%
ResMed	218.15	33.23	1.5%	18.3%	0.1%
Amcor	9.87	15.03	0.7%	6.0%	0.1%
Square	70.30	107.08	5.2%	-11.2%	-1.0%

Source: Bloomberg

Citifirst Warrants

1300 30 70 70

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.

DISCLAIMER

General:

This communication is provided in Australia by Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and AFSL 240992, Participant of the ASX Group and of Cboe Australia), Citigroup Pty Limited (ABN 88 004 325 080, AFSL No. 238098) and/or Citibank, N.A., Sydney Branch (ARBN 34 072 814 058). Citigroup Global Markets Australia Pty Limited (CGMA) is not an Authorised Deposit-Taking Institution under the Banking Act 1959, nor is it regulated by the Australian Prudential Regulation Authority, neither Citigroup Pty Limited, Citibank NA nor any other Authorised Deposit-Taking Institution guarantees the performance or obligations of CGMA. If you invest with CGMA you will be exposed to counterparty credit risk of CGMA which could give rise to delays in repayment and/or the loss of income or principal amounts invested.

Although the information contained herein is based upon generally available information and has been obtained from sources believed to be reliable, we do not guarantee its accuracy, and such information may be incomplete or condensed. CGMA makes no representation or warranty as to the appropriateness of the material for use in jurisdictions other than in Australia. The material on this website, including any pricing, opinions or estimates is subject to change without notice to you and we are not required to update the information. CGMA does not represent or warrant that this website functions without error or interruption.

Any price indications or market quotations (for example, in relation to the financial products or any relevant underlying) are provided solely for your information. Such prices, bids, quotations are not firm bids or offers and may not reflect current prices, due to delays in transmission or otherwise. Nothing in this website shall form the basis of or be relied on in connection with any transaction you enter into, other than as explicitly specified in the relevant Product Disclosure Statement.

The information provided on or via this website is provided for informational purposes only and should not be construed as a recommendation or an offer to buy or sell any product or to enter into any particular transaction. The information does not take into account the investment objectives or financial situation of any particular person. Investors should be aware that there are risks of investing and that prices both rise and fall. Past performance is not a reliable indicator of future performance. Investors should seek their own independent financial advice based on their own circumstances before making a decision. The terms set forth herein are intended for discussion purposes only and subject to the final expression of the terms of a transaction as set forth in a definitive agreement and/or confirmation. Before entering into a transaction, you should ensure that you fully understand the terms of the transaction, relevant risk factors, the nature and extent of your risk of loss and the nature of the contractual relationship into which you are entering and you should carefully read the relevant Product Disclosure Statement for the product before making any decision to invest. You should also carefully evaluate whether the transaction is appropriate for you in light of your experience, objectives, financial resources, and other relevant circumstances and whether you have the operational resources in place to monitor the associated risks and contractual obligations over the term of the transaction. A copy of the relevant Product Disclosure Statement for any product issued by CGMA is available by contacting us on 1300 30 70 70 or on the Product Disclosure Statements section of this website.

The ultimate decision to proceed with any transaction rests solely with you. We are not acting as your advisor or agent. Therefore prior to entering into the proposed transaction you should determine, without reliance upon us or our affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume these risks. In this regard, by acceptance of these materials, you acknowledge that you have been advised that (a) we are not in the business of providing legal, tax or accounting advice, (b) you understand that there may be legal, tax or accounting risks associated with the transaction, (c) you should

receive legal, tax and accounting advice from advisors with appropriate expertise to assess relevant risks, and (d) you should apprise senior management in your organization as to the legal, tax and accounting advice (and, if acceptable, risks) associated with this transaction and our disclaimers as to these matters. If you are acting as a financial adviser or agent, you should evaluate these considerations in light of the circumstances applicable to your principal and the scope of your authority. If you believe you need assistance in evaluating and understanding the terms or risks of a particular derivative transaction, you should consult appropriate advisers before entering into the transaction.

Citi is affiliated with Citibank NA and its subsidiaries and branches worldwide (collectively "Citi"). Despite those affiliations, any financial products offered, or sold by CGMA: (i) are not insured by the Federal Deposit Insurance Corporation; (ii) are not deposits or other obligations of any insured depository institution (including Citi); and (iii) are subject to investment risks, including the loss of the investment amount. Financial products issued by CGMA do not represent a deposit or other liability of Citigroup Pty Limited or Citibank NA and these entities do not stand in any way behind the credit and/or performance of other Citi entities such as CGMA. Conflicts: We and/or our affiliates (together, the "Firm") may from time to time take proprietary positions and/or make a market in instruments identical or economically related to derivative transactions entered into with you, or may have an investment banking or other commercial relationship with and access to information from the issuer(s) of financial products underlying derivative transactions entered into with you. We may also undertake proprietary activities, including hedging transactions related to the initiation or termination of a derivative transaction with you, that may adversely affect the market price, rate, index or other market factors(s) underlying a derivative transaction entered into with you and consequently the value of the transaction.

No liability for content or arising from use: None of Citigroup Global Markets CGMA or its employees, officers, representatives, agents or contractors shall be liable for any loss, liability, damage, cost or expense, whether direct, indirect, special, incidental, consequential, punitive, or exemplary, including (but not limited to) loss of profits, in connection with or arising in any way from: (i) any defects, viruses and any other malfunctions caused to any equipment and other software in connection with access or use of this website; (ii) the information provided on or via this website; (iii) the interception, modification or misuse of information transmitted to CGMA or transmitted to you; (iv) the functioning or non-availability of this website; (v) the misuse of this website; (vi) the loss of data; (vii) downloading or use of any software made available by this website; or (viii) claims of third parties in connection with the use of this website.

Citi specifically prohibits the redistribution of this website in whole or in part without the written permission of Citi and Citi accepts no liability whatsoever for the actions of third parties in this respect.

Copyright © 2024 Citigroup Inc. and/or its affiliates. All rights reserved. CITI, CITI and Arc Design, CITIBANK and CITIGROUP are trademarks and service marks of Citigroup Inc. and/or its affiliates and are used and registered throughout the world