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Daily Market Overview

July 30, 2024

Overnight Headlines:

- China will cease publishing daily data on global stock flows from August 18, a move first indicated in April. The decision, confirmed by the stock exchanges on Friday, is part of a broader effort to boost local investor confidence amidst a faltering stock market. This follows May's discontinuation of intraday flow data through Hong Kong trading links, which means investors will no longer be able to track net flows daily ([BBG](#)).
- During the Olympics, Paris is under intense security, however attackers targeted national infrastructure instead. On the eve of the opening ceremony, saboteurs disrupted high-speed railway signaling cables, while over the weekend, multiple fiber optic cables across France were cut, impacting broadband services. The attacks, aimed at critical infrastructure, have taken authorities by surprise and highlight vulnerabilities in the nation's security measures ([BBG](#)).
- Alibaba's shares surged up to 5.8% in Hong Kong, the highest increase in two months, following the company's announcement of a new service fee structure. Starting soon, Alibaba will charge merchants a 0.6% fee on transactions processed through Tmall and Taobao. The move, disclosed to merchants on Friday, aims to boost revenue but might be waived for smaller vendors. This news led to significant gains in the company's stock ([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
TLSJOF	\$420,500	Citi Buys	SGRKCB	315,000	Citi Buys
FXYKOC	\$364,194	Citi Sells	TLSJOF	225,000	Citi Buys
NDXKCR	\$321,439	Citi Buys	WAMJCB	113,340	Citi Sells
BHPKOC	\$305,858	Citi Buys	BGLKOC	97,000	Citi Buys
CBAKCV	\$293,134	Intraday	S32KOC	91,837	Citi Buys

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
SPFKCY	5745.82	5518	\$3.470	29/07/2024	31/07/2024

Overnight Summary:

RATES	
AUS 3yr 96.05 (-1.0bp) AUS 10yr 95.72 (0.0bp) US 10yr 4.17 (-2.0bp) Bund 10yr 2.36 (-4.8bp)	
<ul style="list-style-type: none"> US treasuries ended mixed amidst low volumes. Markets priced at least 2 quarter point cuts by the Fed by year end. Corporate bond sales were solid ahead of the Fed meeting, with ten offerings totalling almost \$14bn, more than half of the coming week's expected total. The 2y ended +1.65bps higher at 4.4%, whilst the 10y ended -1.95bps lower at 4.174% (BBG). European bonds advanced ahead of July inflation numbers for Spain and Germany printing on Tuesday. Trading saw lower volumes, with futures trading slipping to 75% of the 20-day average. ECB rate cut bets remain steady at 22bps for September and 54bps by year-end. 10y bunds ended -4.94bps lower at 2.356%, whilst the BTP-bund spread tightened by 1bp to 135bps. 2y BTPs ended -4.46bps lower at 3.154% and the 10y ended -5.48bps lower at 3.704%. Gilts outperform its euro peers with UK CBI reported sales unexpectedly dropping. BOE easing wagers remain steady at 12.5bps for the coming Thursday and 51bps by end of year. 2y gilts ended -3.99bps lower at 3.862% and the 10y ended -5.01bps lower at 4.048% (BBG). Aussie bond futures bear flattened with the 3y price down -1bp and the 10y unchanged. 	
EQUITIES	
S&P500 5,463.54 (+0.08%) Stoxx600 511.79 (-0.20%) FTSE100 8,292.35 (+0.08%)	

- U.S. shares eked out a small gain overnight ahead of the FOMC meeting and key labour data later this week. The S&P500 (+0.08%) and NASDAQ (+0.07%) both rose while the Dow (-0.12%) recorded a modest drop. Consumer Discretionary (+1.42%) was the top gaining sector while Energy (-0.87%) fell on a weaker oil price. Among individual names, McDonalds (+3.74%) rose despite reporting a surprise drop in sales, the first in 13 quarters. The company said cost-conscious consumers were shying away from higher priced menu items and instead opting for more affordable food options at home. Comparable sales fell -1% in 2Q vs. an expected rise of +0.5% while EPS of \$2.97 also missed expectations of \$3.07 ([IBD](#)). Abbott Laboratories (-0.45%) pared earlier losses to close slightly down after a jury ordered the healthcare giant pay \$495mn in damages with the trial finding its formula for premature infants had caused serious illnesses ([WSJ](#)). Crypto names also fell with Marathon Digital (-5.19%) and Coinbase (-3.59%) all falling after an earlier jump with bitcoin hitting seven-week highs.
- The Stoxx600 fell -0.20% overnight Real Estate (+0.86%) the top gaining GICS sector while Information Technology (-1.09%) led losses. Dutch brewer Heineken (-10.14%) fell after missing half-yearly profit expectations. Profit grew +12.5% for the first 6 months of the year, below expectations of +13.2%. The company also increased its profit forecasts for 2024, increasing to between 4% and 8% vs. low to high single-digit growth previously. This increased guidance was still below the 8.2% analysts expected. CFO Harold van den Broek said the guidance reflected weakness in the European market during June and July from cooler weather while expected boosts from sporting events failed to materialise ([Reuters](#)). Reckitt Benckiser (-8.76%) fell with U.S. healthcare giant Abbott Laboratories ordered to pay \$495mn in damages. Close to 1,000 lawsuits have been filed against Abbott Laboratories, Reckitt, or both, in U.S. federal or state courts ([Barron's](#)). Phillips (+14.62%) rose with the Dutch medical device maker reporting 2Q results ahead of expectations after cost savings, job cuts and a large insurance payout linked to liability claims. EBITA of 495mn euros beat expectations of 433mn euros with the company saying it has saved 195mn euros as a result of the 9,000 job cuts it has done since 2024 ([WSJ](#)). Shipping giant Maersk (+5.58%) gained on rising Middle Eastern tensions which disrupt routes and boost freight rates ([Reuters](#)).

FOREIGN EXCHANGE

AUDUSD 0.6548 (+0.02%) | DXY 104.564 (+0.20%) | EURUSD 1.0823 (-0.26%)

- The dollar traded broadly bid overnight, up +0.20% as risk appetite remains fairly modest in FX following last week's correction and the multitude of risk events this week. Voice sales in New York were unsure but guessed that corporate USD buying for month-end was partially behind the moves. Broadly however the moves look more like USD shorts unwinding to some degree than an outright flight to safety or JPY-led unwinds. Interestingly, intraday flows in NY suggested hesitancy to chase USD upside; NY eTraders saw net USD selling from all client segments between 07:00 EDT and 12:00 EDT ([Citi](#)). USDJPY moved +0.25% higher to 153.96, trading with a consolidating US 2y yield at ~4.38%. Month end should drive some JPY buying over the coming days, according to our quant team. However, some JPY buying overnight could imply smaller inflows in the coming days. JPY labour data is ahead today, where our economists forecast an unemployment rate of 2.6%. They don't expect a large increase in the unemployment rate given the likelihood of a persistent labour shortage in a modest economic recovery with a shrinking population ([Citi](#)).
- The Aussie was broadly flat overnight, while the Kiwi declined -0.12% to 0.5877. In terms of positioning, investors in both currencies remain fairly long, although at a slightly reduced degree compared to last week. There's an interesting divergence forming in

NZD, as leveraged names gradually reduce long exposure while RM saw a rapid pick up over the last week ([Citi](#)).

- EURUSD declined -0.26% to 1.0823, even as our eTraders saw net EUR buying in NY. A tight range in the pair looks set to continue, while month end USD buying flows may make an opportune moment for EURGBP to respect levels and trade back towards 0.8400 ([Citi](#)). Additionally, it'll be a busy week data wise for the EU with clash CPIs, sentiment readings and Q2 GDP. Renewed weakening in activity for the ECB makes it likely that modest better news on wage and inflation data will likely drive a large dovish pivot on rates ([Citi](#)).

COMMODITIES

Gold 2,383.92 (-0.35%) | WTI 75.81 (-1.78%) | Copper 9026.00 (-0.93%) ^

- **Energy:** Oil prices fell by nearly 2% as Israeli officials expressed a desire to avoid a broader Middle East conflict following an attack, tempering fears of a regional war that could affect oil supply. This decline in oil prices was also influenced by ongoing concerns about Chinese demand and technical problems at the Dangote oil refinery in Nigeria which led to reselling of crude cargoes ([Reuters](#)). The U.S. Department of Energy finalized a contract to purchase 4.65 million barrels of crude oil for the Strategic Petroleum Reserve, with delivery in the last quarter of the year. This is part of an effort to replenish the reserve after a record release last year, with the government capitalizing on lower oil prices to refill at a significant discount. The strategic reserve's levels are increasing but remain below the typical levels of the past decade ([Reuters](#)).
- **Metals:** Gold prices saw a decline, influenced by external market pressures such as a stronger U.S. dollar and lower crude oil prices. The general market's caution ahead of significant U.S. economic data releases also affected precious metal prices, with gold experiencing a slight decrease in price in midday trading ([Kitco](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,463.54	4.44	0.1%	0.1%	14.5%
Nasdaq	17,370.20	12.32	0.1%	-2.0%	15.7%
Dow Jones	40,539.93	-49.41	-0.1%	3.6%	7.6%
Euro Stoxx 50	4,815.39	-47.11	-1.0%	-1.6%	6.5%
FTSE100	8,292.35	6.64	0.1%	1.6%	7.2%
TOPIX	2,759.67	60.13	2.2%	-1.8%	16.6%
KOSPI	2,765.53	33.63	1.2%	-1.2%	4.2%
Shanghai Comp	2,891.85	0.95	0.0%	-2.5%	-2.8%
ASX200 Futures	7,900.00	-55.00	-0.7%	1.6%	4.2%
VIX Index	16.60	0.21			
Foreign Exchange					
DX	104.5600	0.30	0.3%	-1.2%	3.2%
AUDUSD	0.6548	0.00	-0.1%	-1.7%	-3.9%
EURUSD	1.0823	0.00	-0.3%	0.8%	-2.0%
GBPUSD	1.2861	0.00	-0.1%	1.7%	1.0%
USDJPY	154.0200	0.67	0.4%	4.8%	-8.4%
USDCHF	0.8863	0.00	0.3%	1.9%	-5.1%
Fixed Income - 10y					
	%	bps		bps	bps
Aus (Fut.)	4.28%	0.00		-3.50	31.50
United States	4.17%	-1.95		-22.17	29.54
United Kingdom	4.05%	-5.02		-12.35	51.84
Germany	2.35%	-4.95		-14.10	33.46
France	3.07%	-4.41		-22.59	51.33
Italy	3.70%	-5.48		-36.63	1.38
Commodities					
WTI Crude	75.81	-1.35	-1.7%	-7.0%	5.8%
Brent Crude	79.88	-1.25	-1.5%	-7.6%	3.7%
Copper c/lb	406.20	-4.25	-1.0%	-7.5%	4.4%
Nickel	15,794.00	25.00	0.2%	-7.4%	-4.9%
Zinc US\$/mt	2,669.00	-12.00	-0.4%	-9.2%	0.4%
Aluminium US\$/mt	2,289.00	18.50	0.8%	-8.9%	-4.0%
Iron Ore US\$/mt	105.55	-0.54	-0.5%	-0.9%	-22.6%
Gold US\$/oz t	2,383.92	-7.88	-0.3%	2.2%	15.6%
Silver US\$/oz t	27.86	-0.17	-0.6%	-5.4%	17.1%
Bitcoin USD	67,170.13	-197.13	-0.3%	8.5%	58.0%
Lithium (ETF)	38.44	-0.55	-1.4%	-1.0%	-24.5%
DLCs					
	Last Price	Aud Price			Spread
Rio PLC	4,989.50	98.00	-0.9%	-4.1%	18.2%
South 32 - Lon	153.50	3.01	0.5%	-20.4%	0.2%
South 32 - J'burg	3,689.00	3.05	1.5%	-17.1%	-1.1%
Janus Henderson	36.29	55.42	-0.7%	7.7%	#VALUE!
Virgin Money	215.40	4.23	0.1%	0.8%	0.2%
NWS A	27.69	42.29	0.7%	0.4%	3.3%
ADRs					
	Last Price	Aud Price			Spread
BHP	55.01	42.01	-0.7%	-3.6%	0.2%
Rio	64.70	98.81	-0.6%	-1.9%	17.3%
CSL	101.53	310.11	0.0%	3.1%	0.4%
James Hardie	35.37	54.02	0.8%	12.1%	-0.2%
ResMed	208.54	31.85	5.8%	8.9%	0.4%
Amcor	10.42	15.91	0.4%	6.5%	0.4%
Square	60.74	92.76	0.9%	-5.8%	0.8%

*At time of writing

Source: Bloomberg

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