



NOT A PRODUCT OF CITI RESEARCH

# Daily Market Overview

March 21, 2024

### Overnight Headlines:

- The Federal Reserve held interest rates steady, whilst indicating that they expected to reduce rates thrice by the end of the calendar year. Of the 19 policymakers, nine put their dot plot at three cuts, another nine with two or less and only one had more than three cuts for the year. The statement and Powell's press conference reiterated that inflation remains elevated and updated quarterly economic projections showed the personal consumption expenditures price index excluding food and energy rising at a 2.6% rate by the end of the year, compared to 2.4% in the projections issued in December ([BBG](#)).
- The Biden administration has awarded Intel nearly \$20bn in grants and loans, supercharging the company's domestic semiconductor chip output and marking the government's largest effort to subsidise chip production. The funding is expected to be broken into grants and loans, where funding will be used to build two new factories and modernise an existing one. This follows reports that the Biden administration is considering blacklisting a number of Chinese semiconductor firms affiliated with Huawei ([Reuters](#), [BBG](#)).
- Prabowo Subianto has been officially declared the winner of Indonesia's presidential election by a wide margin, positioning himself to take the helm at Southeast Asia's largest economy later this year. The defence minister won nearly 58.6% of votes, over other candidates who won 25% and 15% respectively. It is expected that the victory will face legal challenge from rival candidates ([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
<b>FMGKOJ</b>	\$399,157	Citi Buys	<b>RRLKOB</b>	300,000	Citi Sells
<b>STOJOE</b>	\$366,521	Citi Buys	<b>RRLJOB</b>	215,000	Citi Buys
<b>DJXKOU</b>	\$299,900	Citi Sells	<b>STOJOE</b>	200,000	Citi Buys
<b>FMGKOQ</b>	\$255,280	Citi Sells	<b>PDNJOC</b>	148,470	Citi Sells
<b>XJOKOS</b>	\$248,814	Intraday	<b>FMGKOJ</b>	79,750	Citi Buys

## Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
<b>WOWKCG</b>	27.8698	31.91	\$4.000	20/03/2024	22/03/2024
<b>NABKOP</b>	38.8342	34.17	\$4.590	20/03/2024	22/03/2024
<b>RIOKOP</b>	143.5853	122.9	\$20.510	20/03/2024	22/03/2024
<b>DJXMCU</b>	41436.8351	399000	\$23.38	20/03/2024	22/03/2024
<b>SPFKOT</b>	5493.6219	5290	\$3.09	20/03/2024	22/03/2024

## Overnight Summary:

RATES	
AUS 3yr 96.43 (+4.0bp)   AUS 10yr 95.97 (+3.0bp)   US 10yr 4.27 (-2.2bp)   Bund 10yr 2.43 (-1.8bp)	
<ul style="list-style-type: none"> <li>US treasuries advanced following the Fed announcing interest rates on hold alongside a three dot plot projection for the remainder of 2024. The stickier inflation forecast of PCE at 2.6% (from 2.4% in Dec) alongside upgrades to economic growth, Powell reiterated that “inflation was still too high”, the ongoing progress in bringing it down “is not assured”, and the path forward is “uncertain”. Treasuries bull steepened in reaction with the 2y ending -7.23bps lower to 4.611% and the 10y rallying by -1.78bps to 4.265%. The inversion between the 2s10s narrowed by 3bps to -37bps. With the shifting policy expectation, medium tenor bonds have seen increased demand, seeing \$9.8bn attracted in the first two months of this year, compared to \$2.3bn for long term government funds and \$3.5bn for short term (<a href="#">Reuters</a>).</li> <li>As Powell's Q&amp;A evolved, more dovish nuances arose, especially some dismissiveness regarding the inflation data surprises from the Jan to Feb period. Specifically, Powell stated that the rise in the SEP core PCE forecasts reflected somewhat mechanical inputs, with the Fed committed to achieving the 2% target “over time”. In sum, Powell said “the overall story has not changed” from the December FOMC message that it will be a gradual and bumpy road towards achieving the 2% target over time. He added that the Fed “didn't excessively celebrate ‘good inflation’” and [the FOMC] are not going to overreact to “bad inflation” (<a href="#">Citi</a>).</li> </ul>	

- European bonds saw a mixed session, with Lagarde speaking to ECB being unable to commit to a certain number of rate cuts even after it starts reducing borrowing costs. Bunds saw the front end underperform by +0.64bps to 2.921%, whilst the long-end extended gains with the 10y and 30y down by -1.82bps and -2.29bps respectively. BTPs bear flattened with the 2y leading underperformance at +2.1bps to 3.433% and the 10y up +088bps to 3.709%, seeing the BTP-bund spread ticking up 3bps to 128bps. Following Britain's CPI printing at its slowest in nearly two and a half years, slowing to 3.4% in February (from 4.0% in January and 3.5% expectation). Services inflation, which the BoE watches closely, dropped to 6.1% from the 6.5% that the BoE had expected. Gilts dropped following the news, with markets adding to rate cut bets, seeing the 2y yield rally by -3.79bps to 4.215% and the 10y rally by -4.37bps to 4.013% ([BBG](#)).
- Aussie bond futures bull steepened overnight with the 3y yield down -4bps and the 10y yield rallying by -3bps.

## EQUITIES

**S&P500 5,219.71 (+0.80%) | Stoxx600 505.21 (0.00%) | FTSE100 7,737.38 (-0.01%)**

- A strong session in the U.S overnight saw all major indexes record gains. The S&P500 was up +0.80%, the Dow Jones up +0.92% and the NASDAQ up +1.08%. The moves came as Federal Reserve policymakers signalled they expect to pivot to interest rate cuts later on this calendar year. The commentary saw all but two sectors close in the green on the S&P500 with Consumer Discretionary the best performer up +1.45%. Health Care and Energy were worst performers down -0.23% and -0.09% respectively. Equinix shares dropped -2.71% following a Hindenburg Research report publication outlined its short position in the data centre operator ([Reuters](#)). Chipotle shares advanced +3.73% as the company approved a 50-for-1 stock split ([Reuters](#)).
- European markets closed flat overnight with both the Stoxx600 and FTSE100 recording no change to the previous day. The Stoxx600 saw Utilities as the best performer up +1.01% while Energy was the worst down -0.82%. Information Technology was the best performer on the FTSE100 up +1.81% while Health Care was the worst down -0.79%. French luxury goods group Kering slumped -11.9% as the company warned Q1 sales would likely drop by 10% with revenue projected to slide by 20% YoY. The company cited Gucci's weakness in Asia as the reason with the post-Covid Chinese recovery not occurring as anticipated ([Reuters](#)). Following the news, other stocks in the luxury goods sector including LVMH, Burberry and Christian Dior lost between -1.6% and -3.2%. Swiss drug manufacturer Lonza gained +5.7% after agreeing to buy Roche's Genentech manufacturing facility in California for USD\$1.2 billion ([Reuters](#)). Chemicals and sustainable technologies company Johnson Matthey rose +7.8% following an announcement that it would sell its medical device components business to a private equity fund for USD\$700 million ([Reuters](#)).

## FOREIGN EXCHANGE

**AUDUSD 0.6583 (+0.81%) | DXY 103.383 (-0.48%) | EURUSD 1.0921 (+0.49%)**

- It was the doves who seemingly won coming out of this morning's FOMC and presser, with the Dollar declining broadly (DXY - 0.48%) as rates were held steady. The 2024 dots didn't move, with 3 rate cuts still predicted for the year. Notably, the number of officials with this 3-cut-prediction increased to 9 from 6 previously. The median forecast for 2025

however did rise to 3.9% from 3.6%. The core PCE outlook was revised to 2.6% from 2.4%, the GDP estimate for 2024 jumped to 2.1% from 1.4% and the unemployment rate was revised down to 4% vs 4.1% prior ([Citi](#)). Despite these revisions suggesting a hot economy, Powell's post-decision presser provided further dovish reassurance to accompany the dots. He seemed to make sure to reiterate the need to look through the recent inflation beats and instead focus on the overarching 2% inflation goal, which the Fed is confident they will achieve ([Citi](#)). USDJPY was down -0.27% overnight with a [Nikkei](#) article suggesting the BoJ is weighing up more rate hikes this year seemingly providing some yen support. However at the time of writing it has already regained ~half of the immediate post-Fed and Nikkei decline. Our traders saw light flows post FOMC, noting leveraged selling of USDJPY.

- Both the antipodean currencies advanced after the Fed's dovish rhetoric seemingly green-lit a risk rally. AUDUSD climbed 0.81% and NZDUSD climbed 0.61%. The moves come ahead of both AU unemployment and NZ GDP today, where our econ team sees unemployment at 4.0%, v 4.1% Previous and NZ GDP at 0.2% QoQ v -0.3% previous ([Citi](#)).
- EURUSD moved up +0.49% on dollar weakness and comments out of the ECB overnight. Lagarde stated she couldn't commit to further cuts after a likely first move in June, although our economist notes Lagarde also talked about a "dialling-back phase" to make "policy less restrictive" confirming the base case should be a series of rate cuts. Citi's base case is still 5x25bp cuts, although we note two way risks, although the ECB's history of rate cut magnitude skews slightly dovish ([Citi](#)).

## COMMODITIES

Gold 2,183.78 (+1.24%) | WTI 81.68 (-2.14%) | Copper 8928.00 (-0.53%) ^

- **Energy:** Oil prices declined on Wednesday following the FOMC decision to hold rates steady. Additionally, The EIA reported an unexpected fall in crude oil stocks, indicating strong exports and refining activity, while ongoing Ukrainian attacks on Russian refining assets suggest potential supply disruptions. WTI futures falling 2.14% to \$81.68 ([Reuters](#)). Meanwhile, Colombia faces challenges in natural gas supply due to a halt in exploration licensing, which could increase its reliance on imports ([Reuters](#)).
- **Metals:** Precious metals rose overnight following the FOMC updating its 2024 median dot forecast ([Reuters](#)). Concurrently, structural changes due to the shift to electric vehicles, may palladium and rhodium demand. Platinum, however, may see increased demand from non-auto industries and potential new applications in the hydrogen economy, despite current challenges ([Reuters](#)).

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
<b>Equities</b>					
S&P 500	5,224.62	46.11	0.9%	5.0%	9.5%
Nasdaq	16,369.41	202.62	1.3%	4.7%	9.0%
Dow Jones	39,512.13	401.37	1.0%	2.5%	4.8%
Euro Stoxx 50	5,000.31	-7.61	-0.2%	5.0%	10.6%
FTSE100	7,737.38	-0.92	0.0%	0.2%	0.1%
TOPIX	2,750.97	28.98	1.1%	4.5%	16.3%
KOSPI	2,690.14	33.97	1.3%	1.4%	1.3%
Shanghai Comp	3,079.69	16.93	0.6%	4.4%	3.5%
ASX200 Futures	7,744.00	47.00	0.6%	2.4%	2.1%
VIX Index	13.04	-0.78			
<b>Foreign Exchange</b>					
DXY	103.4010	-0.50	-0.5%	-0.7%	2.0%
AUDUSD	0.6586	0.01	0.0%	0.5%	-3.3%
EURUSD	1.0921	0.01	0.5%	0.9%	-1.1%
GBPUSD	1.2786	0.01	0.5%	1.2%	0.4%
USDJPY	151.2500	-0.29	-0.2%	-0.6%	-6.8%
USDCHF	0.8864	0.00	-0.3%	-0.8%	-5.1%
<b>Fixed Income - 10y</b>					
	%	bps		bps	bps
Aus (Fut.)	4.05%	-1.50		-13.50	8.50
United States	4.27%	-1.97		-4.59	39.38
United Kingdom	4.01%	-4.39		-8.95	48.31
Germany	2.43%	-1.81		-1.69	40.91
France	2.87%	-1.22		-5.57	31.56
Italy	3.71%	0.84		-23.91	1.88
<b>Commodities</b>					
WTI Crude	81.68	-1.79	-2.1%	4.5%	14.0%
Brent Crude	86.12	-1.26	-1.4%	4.6%	11.8%
Copper o/lb	407.75	1.90	0.5%	5.4%	4.8%
Nickel	17,395.00	-477.00	-2.7%	6.4%	4.8%
Zinc US\$/mt	2,505.50	-26.50	-1.0%	4.3%	-5.7%
Aluminium US\$/mt	2,269.00	-8.50	-0.4%	3.3%	-4.8%
Iron Ore US\$/mt	109.70	0.27	0.2%	-12.4%	-19.6%
Gold US\$/oz t	2,186.39	29.01	1.3%	8.0%	6.0%
Silver US\$/oz t	25.58	0.68	2.7%	11.2%	7.5%
Bitcoin USD	67,065.91	-12.63	0.0%	30.5%	57.8%
Lithium (ETF)	46.65	0.96	2.1%	10.8%	-8.4%
<b>DLCs</b>					
	Last Price	Aud Price			Spread
Rio PLC	4,940.50	95.91	0.1%	-5.5%	26.5%
South 32 - Lon	152.00	2.95	-3.8%	4.1%	1.3%
South 32 - Jburg	3,630.00	2.95	-4.3%	2.5%	1.5%
Janus Henderson	31.85	48.36	2.7%	2.7%	#VALUE!
Virgin Money	207.80	4.03	-0.6%	30.7%	0.4%
NWS A	25.91	39.34	0.7%	-1.3%	4.0%
<b>ADRs</b>					
	Last Price	Aud Price			Spread
BHP	57.78	43.87	2.0%	-0.6%	-0.1%
Rio	63.87	96.98	1.7%	-3.1%	25.1%
CSL	91.99	279.35	1.0%	-0.4%	-0.2%
James Hardie	40.10	60.89	0.9%	7.8%	-1.5%
ResMed	192.38	29.21	-0.3%	6.5%	0.6%
Amcor	9.15	13.89	-2.5%	0.3%	0.6%
Square	81.46	123.69	2.7%	23.9%	-1.5%

\*At time of writing

Source: Bloomberg

## CitiFirst Warrants

1300 30 70 70

[citifirst.warrants@citi.com](mailto: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](mailto: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