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Daily Market Overview

November 21, 2024

- Global stocks dipped on geopolitical concerns, Nvidia's earnings anticipation and mixed corporate results. Nvidia, whose value tripled in 2024 to US\$3.5 trillion (\$5.39 trillion), is expected to report record profits but faces uncertainty over production delays for its new Blackwell chips. Shares were 1.38% lower on Wednesday afternoon, ahead of its much anticipated 3Q earnings result. Option markets are implying a rough 8% move in either direction on its market value after the release, or a swing close to US\$300 million. It comes as the ECB warned about a "bubble" in stocks related to artificial intelligence ([Bloomberg](#))([Reuters](#))
- The United States shut its embassy in Kyiv on Wednesday morning due to what it called the threat of a significant air attack, a day after Ukraine used American missiles to hit a target inside Russia in what Moscow described as an escalation in the war. Later, after an air raid siren in the early afternoon jangled nerves in the capital, Ukraine's military spy agency said Russia was trying to sow panic by circulating fake online messages about a massive looming missile and drone attack. ([Reuters](#))
- Federal Reserve Governor Michelle Bowman, among the U.S. central bank's most hawkish policymakers, on Wednesday called for a cautious approach to any further interest rate cuts, noting that inflation remains a concern and the labor market is strong. The Fed reduced its policy rate earlier this month by a quarter of a percentage point to the 4.50%-4.75% range, a move that Bowman said she supported because it aligns with her preference for lowering short-term borrowing costs gradually. Bowman had cast a lone dissent on the Fed's half-percentage-point rate reduction in September. ([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 Traded Warrants By Value and Volume From Last Trading Day

Warrant Code	Value	Citi	Warrant Code	Volume	Citi
NDXKON	\$1,172,100	Citi Buys	XJOMOV	70,883	Citi Buys
CBAKCY	\$563,878	Citi Sells	ZSIKOL	50,000	Citi Buys
CBAK CZ	\$477,068	Citi Buys	XJOKCC	35,000	Citi Sells
CBAKCT	\$473,958	Intraday	NDXKON	30,000	Intraday
XJOMOV	\$468,068	Citi Buys	WORJOA	30,000	Citi Sells

Stopped Out Warrants:

Warrant Code	Strike	Stop Loss	Remaining Value	Stop Loss Date	Final Listing Date
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Overnight Summary:

RATES

AUS 3yr 96.11 (+3.0bp) | AUS 10yr 95.83 (+3.5bp) | US 10yr 3.23 (+3.0bp) | Bund 10yr 1.66 (-5.3bp)

- US: Treasuries bear flattened on Friday with no significant new catalyst amid choppy stock movements. The front end led losses with the 2yr closing 8.5bps cheaper at 3.18% after Powell emphasised the Fed's fight to curb inflation is "unconditional". Kashari said a 50bp hike at the July meeting could be prudent, but he could support another 75bp move. 10yr yields rose as much as 12bps to 3.31% before pulling back to 3.23% in late afternoon trading. Longer dated yields also surged early in the session before paring losses to close between 2.3bps and 3.3bps cheaper on the day, flattening the curve. The 2s10s spread tightened 5.5bps to close at 4bps, approaching inversion and suggesting the market sees a heightened risk of recession.
- EU: Eurozone bonds were mixed with bunds and BTPs steepening while gilts twist flattened. Final eurozone CPI figures confirmed a 0.8% increase in May and 8.1% increase on the year, up from 7.4% in April. The BTP-bund spread tightened 11bps to 192bps, a one month low to close out the largest weekly fall since beginning of the pandemic after Lagarde pledged to prevent weaker nations' borrowing costs from rising too fast. BTPs led gains with yields ending up to 18bps richer in the belly while the 10yr richened 15.9bps to 3.58%. 10yr bunds closed 5.3bps richer to 1.66%, with front end outperformance steepening the 5s30s curve 8.3bps. Traders pared ECB tightening bets, pricing 174bps of hikes by year-end versus 186bps on Thursday. Front end gilt yields cheapened up to 9bps following hawkish Fed commentary, while 10yr maturities outwards closed slightly richer. The 2s10s spread flattened an aggressive 10.7bps to 29bps and is poised for its third biggest flattening move since March 2020. Money markets

boosted BOE tightening bets, pricing 225bps of hikes by March 2023 versus 214bps the previous day.

- AU: Aussie bond futures gained overnight, with the 3yr becoming 3bps richer to 3.89% while the 10yr became 3.5bps richer to 4.17%.

EQUITIES

&P500 3,674.84 (+0.22%) | Stoxx600 403.25 (+0.09%) | FTSE100 7,016.25 (-0.41%)

- US: US stocks closed mixed on Friday as Powell reiterated this commitment to containing the soaring inflation. The S&P 500 ended the week +0.22% and a rebound in tech stocks helped the Nasdaq finish +1.43%. Sectors were mixed across the S&P 500, with 6 of the 11 GICS sectors closing in the green, led by communication services (+1.31%) and consumer discretionary (+1.22%). Cruise line companies led the gains, both Norwegian Cruise Line Holdings +10.12% and Carnival Corp +9.71% surging. The energy sector (-5.57%) was the biggest laggard as WTI crude oil futures plunged -6.5%. Within the sector Diamondback Energy Inc -8.52% performed the worst.
- EU: European stocks posted their biggest weekly drop since March as investors weighed the risk of tightening monetary policy on economic growth. The Stoxx 600 erased earlier losses to close +0.09%. All sectors closed in the green, bar energy (-4.58%) and materials (-1.15%) which slumped as the commodities remain under pressure. Delivery Hero SE +12.13% surged as the company expands into groceries via small warehouses in a bid to lure clients. On the flipside, KGHM Polska Miedz SA -6.42% was the worst performer. The FTSE 100 fell -0.41% on Friday. Following the global trend, energy (-5.15%) lagged, while IT (+3.24%) outperformed.

FOREIGN EXCHANGE

AUDUSD 0.6924 (-0.61%) | DXY 104.700 (-0.71%) | EURUSD 1.0484 (+0.86%)

- The dollar was weaker last Friday night and traded mixed against its G10 peers with the DXY losing as much as -0.71% BOJ's decision to stand pat last Friday amid a slew of interest rate hikes no doubt disappointed markets looking for some sort of tweak to policy. Despite the weaker dollar, USDJPY still notched a +0.56% gain to 134.96.
- High betas traded mixed as they struggled to find direction, with Aussie leading the losses. AUD fell -0.61% against the weaker dollar to 0.6924 while CAD lost -0.41%. NZD and NOK were little changed as they traded a touch softer at -0.14% and -0.07% respectively.
- European currencies also had a mixed session last Friday. EUR gained +0.86% to 1.0484 though it has traded sideways in the Sydney open following headlines of Macron set to lose Majority in the Parliament. GBP lost -0.50% against the dollar as recession fear continue to weigh on the vulnerable economy, particularly as BoE signaled that it is prepared for an outsized hike as early as in August.

COMMODITIES

Gold 1,839.39 (+0.57%) | WTI 109.56 (-6.83%) | Copper 4.07 (-1.25%) ^

- **Energy:** Both majors saw continued losses to end the week on the back of Fed and inflation driven worries of a recession. WTI fell 6.8% to \$109.6/bbl while Brent fell 5.4% to \$113.1/bbl. The move also comes after OPEC announced on Friday that Covid cuts in production totalling 9.7m b/d that were initially expected to be returned to the market in September would be brought forward to August. Trends in the US are also already pointing to potential demand destruction with gasoline prices breaking records (~\$5/gallon) with government reports indicating impacts to consumption were occurring. Demand last week fell to the lowest levels (seasonally adjusted) since 2013, excluding 2020's Covid lockdown impacted levels. Analysts expect the focus on signs of economic slowdown and demand destruction will result in volatility continuing.
- **Metals:** Spot gold ended the week easing mid-week losses trading up 0.6% to \$1839.4/ounce. Rising interest rates continuing to be a headwind but central bank surprises in hand with rising inflation and its economic impact are helping the bullion stay above the key \$1800/ounce level. Silver tracked Gold's rise on Friday up 0.5% to \$21.7.
- **Agriculture:** Agricultural commod's traded down across the board with Wheat falling 4.0% to \$10.47/bushel while Corn faced a more modest falls of 0.5% to \$7.31/bushel. Improving supply conditions pushed the price down with analyst quoting harvest hedging, intermarket spreading and macro selling all contributing to the downward move. Money managers cut bullish wagers to a 15-week low (US government data) while soybean's were cut to a 21-week low.

Overnight Summary					
	Last Price	1d (net)	1d (%)	1m (%)	YTD (%)
Equities					
S&P 500	5,917.11	0.13	0.0%	0.9%	24.1%
Nasdaq	18,966.14	-21.33	-0.1%	2.6%	26.3%
Dow Jones	43,408.47	139.53	0.3%	0.3%	15.2%
Euro Stoxx 50	4,729.71	-21.52	-0.5%	-5.1%	4.6%
FTSE100	8,085.07	-13.95	-0.2%	-3.3%	4.5%
TOPIX	2,698.29	-11.74	-0.4%	0.7%	14.0%
KOSPI	2,482.29	10.34	0.4%	-4.7%	-6.5%
Shanghai Comp	3,367.99	21.98	0.7%	3.1%	13.2%
ASX200 Futures	8,370.00	11.00	0.1%	-0.1%	10.3%
VIX Index	17.19	0.84			
Foreign Exchange					
DX	106.6840	0.40	0.4%	3.1%	5.3%
AUDUSD	0.6504	0.00	-0.3%	-2.3%	-4.5%
EURUSD	1.0542	0.00	-0.4%	-2.5%	-4.5%
GBPUSD	1.2649	0.00	-0.3%	-2.6%	-0.6%
USDJPY	155.4700	0.28	0.2%	-3.0%	-9.3%
USDCHF	0.8845	0.00	0.1%	-2.1%	-4.9%
Fixed Income - 10y	%	bps		bps	bps
Aus (Fut.)	4.59%	2.00		31.00	62.50
United States	4.41%	1.58		21.63	53.29
United Kingdom	4.47%	2.73		33.24	93.85
Germany	2.35%	1.30		6.79	32.71
France	3.10%	2.90		8.42	54.68
Italy	3.58%	2.71		6.83	-11.24
Commodities					
WTI Crude	68.87	-0.52	-0.7%	-0.5%	-3.9%
Brent Crude	73.11	-0.20	-0.3%	0.1%	-5.1%
Copper c/lb	414.90	0.70	0.2%	-5.4%	6.6%
Nickel	15,866.00	137.00	0.9%	-6.1%	-4.4%
Zinc US\$/mt	2,951.00	-0.50	0.0%	-4.5%	11.0%
Aluminium US\$/mt	2,644.50	37.00	1.4%	1.2%	10.9%
Iron Ore US\$/mt	121.95	0.95	0.8%	0.3%	25.2%

*At time of writing

Source: Bloomberg

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