



Daily US Opening News

10th April 2024

SNAPSHOT

STOCKS			
Euro Stoxx 50	+0.7%	DAX40	+0.7%
Stoxx 600	+0.5%	FTSE 100	+0.6%
ES Jun'24	U/C	RTY Jun'24	+0.1%
NQ Jun'24	U/C	YM Jun'24	+0.1%

FX			
DXY	U/C (104.06)	EUR/USD	U/C (1.086)
USD/JPY	U/C (151.8)	GBP/USD	+0.1% (1.269)

BONDS			
US T-Note Jun'24	+1+ ticks	Bund Jun'24	+2 ticks
US 10yr Yield	4.36%	German 10yr Yield	2.36%

ENERGY & METALS			
WTI May'24	+0.4%	Brent Jun'24	+0.4%
Spot Gold	-0.3%	LME Copper	%

CRYPTO			
Bitcoin	-0.1%	Ethereum	+0.3%

As of 11:10BST/06:10EDT

LOOKING AHEAD

- US CPI, BoC Policy Announcement, FOMC Minutes, Comments from Fed's Bowman, Barkin & Goolsbee, Supply from the US, Earnings from Delta.
- Click [here](#) for the Newsquawk Week Ahead.

EUROPEAN TRADE

EQUITIES

- European bourses firmer across the board, **Stoxx 600** +0.5%, with the region playing catchup to the late-doors rally on Wall St.



- **SMI** +0.2% is firmer but is the incremental laggard amid losses in Novartis, also resulted in contained performance for Healthcare more broadly.
- **DAX 40** +0.8% supported by sales metrics from numerous auto names, with Infineon benefitting from broader tech strength while Aurubis is assisted by tin pricing.
- Stateside, futures are essentially unchanged but with a very mild upward bias into US CPI; **ES** +0.1%, **NQ** +0.1%
- Click [here](#) and [here](#) for the sessions European pre-market equity newsflow, including earnings.
- Click [here](#) for more details.

FX

- **DXY** broadly steady against peers into CPI; DXY in a narrow 104.03-104.17 range.
- Peers generally contained and also awaiting the US highlights, **EUR** within Tuesday's parameters while **GBP** is contained and just shy of the 1.27 mark.
- **USD/JPY** remains in proximity to but is yet to test the YTD peak and then 152.00 above.
- **Antipodeans** diverge slightly with the **NZD** leading after the RBNZ's hawkish hold; NZD/USD at the top-end of 0.6050-0.6077 band
- **NOK** pressured by cooler-than-expected CPI though essentially all of the move has pared as it is far too soon to change the calculus around a potential first cut in September.
- **PBoC set USD/CNY mid-point at 7.0959 vs exp. 7.2300 (prev. 7.0956).**
- Click [here](#) for more details.
- Click [here](#) for today's option expiries for the NY cut.

FIXED INCOME

- Contained start to a packed day. **USTs** are yet to meaningfully deviate from the unchanged mark in narrow 109-19+ to 109-23 bounds.
- **Gilts** saw initial underperformance ahead of 2027 supply but following the strong auction, which received the highest demand since 2020, a modest bid emerged with Gilts back up to the unchanged mark.
- **Bunds** slightly firmer as the complex focusses on US events before attention will centre on Thursday's ECB thereafter; a soft reception for a new 15yr Bund sparked modest pressure, but Bunds remain off earlier lows as expectations were tempered into the sale by the somewhat mixed history for new 15yr taps.
- **UK sells** GBP 4bln 3.75% 2027 Gilt: b/c 3.68x (prev. 3.01x), average yield 4.204% (prev. 4.314%) & tail 0.3bps (prev. 0.5bps).
- **Germany sells** EUR 2.01bln vs exp. EUR 2.5bln 2.60% 2041 Bund; b/c 1.6x, average yield 2.54%, retention 19.6%.
- Click [here](#) for more details.

COMMODITIES

- **Crude benchmarks** modestly firmer but with ranges thin and specifics somewhat light into US data though geopolitics and the escalating flood situation around Russian refineries draw focus.
- **WTI** and **Brent** at the mid-point of circa. USD 0.60/bbl parameters.
- Russia's Orsk oil refinery has declared force majeure on fuel supply amid floods, according to a document cited by Reuters. More recently, Russia's Kremlin, on the floods, says the forecast is not favourable and the water continues to rise.
- Russia's Lukoil says it has restored damaged CDU-5 unit at Volgograd oil refinery (~300k BPD), has been put into operation on Feb 21 and now works at designed capacity.
- UBS raises oil forecast higher by USD 5/bbl across all tenors as it raises 2024 oil demand growth estimates and reduces OPEC+ crude production projection for 2024.
- A total of 600k tonnes of corn could be exported from Ukraine to China in April alongside 400k tonnes in May, according to brokers cited by Reuters.
- **Precious** metals essentially unchanged given USD and Fixed action while **base** metals continue to grind higher; iron ore bid for the 3rd consecutive session where optimism around Chinese demand continues to be cited as the driver.
- Click [here](#) for more details.

DATA RECAP

- **Norwegian Core Inflation YY (Mar) 4.5% vs. Exp. 4.7% (Prev. 4.9%);** MM (Mar) 0.2% vs. Exp. 0.4% (Prev. 0.4%)
- **Norwegian CPI YY (Mar) 3.9% vs. Exp. 4.2% (Prev. 4.5%);** MM (Mar) 0.2% vs. Exp. 0.5% (Prev. 0.2%)



- Italian Retail Sales SA MM (Feb) 0.1% (Prev. -0.1%); NSA YY (Feb) 2.4% (Prev. 1.0%)

NOTABLE US HEADLINES

- **US President Biden said he and his administration are examining whether he has the authority to act on his own to shut down the US border with Mexico to migrants if deemed necessary**, according to Reuters.

GEOPOLITICS

MIDDLE EAST - EUROPEAN MORNING

- **"Israeli Foreign Minister: If Iran attacks us from its territory, we will respond in Tehran"**, according to Sky News Arabia.
- **Hamas rejects most of the key points of the truce proposal**, according to Al-Mayaden.

MIDDLE EAST

- **US President Biden said Israeli PM Netanyahu's policy in Gaza is wrong and he does not agree with it, while he called on Israel to cease fire and to allow full access to all food and medicine to Gaza**, according to Al Jazeera. It was also reported that the **Biden administration rejected Israeli PM Netanyahu's statement on the date of the Rafah operation and described it as a threat driven by a fragile political position**, according to CNN and Al Jazeera
- **US officials said the Biden administration rejected Israeli PM Netanyahu's statement on the date of the Rafah operation and described it as a threat driven by a fragile political position**, according to CNN.
- **Israeli Defence Force said they will carry out a large-scale humanitarian operation in southern Gaza.**

OTHER

- **US President Biden's administration is preparing to take the unusual step of issuing an order that would prevent US companies and citizens from using software made by a major Russian cybersecurity firm because of national security concerns**, according to CNN sources.
- **White House National Security Advisor Sullivan said more joint patrols can be expected after four-way naval drills in the South China Sea during the weekend.** Sullivan also said that US President Biden and Japanese PM Kishida will announce measures to enhance defence and security cooperation, while they will also announce measures on space exploration soon.

CRYPTO

- Hong Kong is likely to approve spot Bitcoin ETFs next week and some launches could happen in April, according to Reuters sources.

APAC TRADE

- **APAC stocks** traded mixed with some lacking conviction ahead of looming risk events, while there were also holiday closures in South Korea, Singapore, Malaysia, Philippines, Indonesia & Middle East.
- **ASX 200** was led higher by outperformance in the mining and defensive sectors.
- **Nikkei 225** remained subdued but was off worst levels following mixed PPI data.
- **Hang Seng** and **Shanghai Comp.** were mixed with Hong Kong boosted by tech after China's Cyberspace Administration said several firms including China Mobile, Alibaba, Huawei and Tencent completed the filing of large model AI services registration. However, the mainland declined amid a lack of fresh drivers and with the EU wanting to talk with China about unfair competitive conditions and over-capacity during German Chancellor Scholz's visit.

NOTABLE ASIA-PAC HEADLINES

- **Fitch revised China's outlook to Negative and affirmed its rating at A+, while it stated the outlook revision reflects increasing risks to China's public finance outlook** and forecasts general government deficit in China to rise to 7.1% of GDP in 2024.
- **US Deputy Secretary of State Campbell said the easing of US travel advisories on China is under active consideration** but added the **large number of Chinese economic migrants coming to the US is of increasing concern.**



- **BoJ Governor Ueda said given the current outlook for economic activity and prices, the BoJ anticipates that accommodative financial conditions will be maintained for the time being and noted that with trend inflation yet to reach 2%, they need to support the economy's momentum toward hitting 2% by maintaining accommodative monetary conditions.** Furthermore, they won't change monetary policy just to deal directly with FX moves but may need to change monetary policy if FX moves lead not just to rising import prices, but risk pushing up trend inflation more than expected.
- **RBNZ kept the OCR unchanged at 5.50% as expected. RBNZ noted that a restrictive monetary policy stance remains necessary to further reduce capacity pressures and inflation, while the committee is confident that maintaining the OCR at a restrictive level for a sustained period will return consumer price inflation to within the 1%-3% target range this calendar year.** RBNZ Minutes noted the committee agreed interest rates need to remain at a restrictive level for a sustained period and there remains limited tolerance to increase the time to achieve the inflation target while inflation remains outside the target band and while inflation expectations and pricing intentions remain elevated.
- **China's CAAM Official says auto factories capacity is not growing fast, idled capacity is being closed instead.**

DATA RECAP

- **Japanese Corp Goods Price MM (Mar) 0.2% vs. Exp. 0.3% (Prev. 0.2%); YY (Mar) 0.8% vs. Exp. 0.8% (Prev. 0.6%, Rev. 0.7%)**

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