



Wednesday 17<sup>th</sup> April 2024

## Overnight Markets

Equities	Close	Chg	Pct %
Dow Jones	37,799.0	63.9	0.17%
S&P 500	5,051.4	-10.4	-0.21%
Nasdaq	15,865.3	-19.8	-0.12%
FTSE 100	7,820.4	-145.2	-1.82%
Dax Index	17,766.2	-260.4	-1.44%
CAC 40	7,932.6	-112.5	-1.40%
Hang Seng	16,249.0	0.0	0.00%
Nikkei	38,237.0	-234.2	-0.61%
SPI Futures	7,651.0	16.0	0.21%
Commodities	Close	Chg	Pct %
Brent Crude US\$/bbl	89.76	-0.26	-0.29%
Spot Gold US\$/oz	2,382.18	-0.20	-0.01%
Iron Ore US\$/ton	106.05	0.00	0.00%
Copper COMEX (\$U:	4.32	-0.01	-0.20%
Currencies	Close	Chg	Pct %
AUD / USD	0.6420	0.0019	0.30%
EUR / USD	1.0622	0.0004	0.03%
AUD / GBP	0.5163	0.0011	0.22%
EUR / AUD	1.6567	-0.0017	-0.10%
USD / YEN	154.6845	-0.0235	-0.02%
Rates	Close	Chg	Pct %
\$A Cash Rate	4.35	0.000	0.00%
\$A 3 Yr Bond	3.94	0.045	1.16%
\$A 10 Yr Bond	4.39	0.055	1.27%
\$US 10 Year Bond	4.67	0.002	0.05%
\$US 30 Year Bond	4.77	0.003	0.06%
Companies	Close	Chg	Pct %
Apple Inc	169.38	-3.31	-1.92%
LVMH	782.00	-10.90	-1.37%
Disney	113.88	0.93	0.82%
Microsoft	414.58	0.94	0.23%
Google	156.00	-0.33	-0.21%
JP Morgan	180.80	-2.09	-1.14%
Amazon	183.32	-0.30	-0.16%
Alibaba	69.61	-1.01	-1.43%

## Overnight Highlights

**Israel latest:** Janet Yellen “fully” expects the US to strengthen sanctions against Iran within days, and the EU plans proposals as soon as next week. Vladimir Putin warned of the risk of a “catastrophic” escalation and urged restraint in a call with his Iranian counterpart. Hezbollah claimed it struck Israel’s Iron Dome with drones.

**Ukraine latest:** Olaf Scholz, Germany Chancellor, urged Xi Jinping to use his influence to try to push Vladimir Putin to end Russia’s “insane” war. A Czech-led initiative may deliver 1.5 million artillery shells to Kyiv within a year, PM Petr Fiala said in the US. The bombardment of Kharkiv increasingly looks like a push to get Ukraine to abandon the city.

**Torrential rains in the UAE** — due in part to cloud-seeding — prompted flight cancellations and forced schools to close. Dubai had at least 120mm of precipitation — more than a full year’s worth — the AP reported, and at least 18 people died from flooding in neighboring Oman.



**A fire has ripped through Copenhagen’s Old Stock Exchange**, one of the Danish capital’s best-known buildings, engulfing its spire, which collapsed in a scene reminiscent of the 2019 blaze at Paris’ Notre-Dame. Emergency services, employees from the Danish Chamber of Commerce, including CEO Brian Mikkelsen, and even passers-by were seen carrying large paintings away from the building in a race to save historic artefacts from the flames.



## Global Market

**Treasury yields rose** to fresh 2024 highs, luring opportunistic buyers. The S&P 500 and the Nasdaq 100 fell, while the Dow climbed. The dollar saw its best five-day gain since October 2022. Spot gold was little changed, and oil settled lower. Asian equity futures are mixed.

**Jerome Powell** said persistent inflation means it will take longer for the Fed to gain the confidence to start rate cuts and it can stand pat for “as long as needed.” Thomas Barkin and Philip Jefferson reiterated the central bank’s patient stance.

**China’s** National Bureau of Statistics said yesterday that the economy grew 1.6 percent in the first quarter over the previous three months, despite a severe real estate crisis and sluggish spending at home. When projected out for the entire year, the first-quarter data indicates that the economy was growing at an annual rate of about 6.6 percent. China had set a growth target of about 5 percent for the year, a goal that many economists viewed as ambitious.

**Canada** will boost its capital gains tax to two-thirds of income from half for all companies and for individuals with gains of more than C\$250,000 (\$181,000) in a year. The country’s headline inflation picked up slightly in March to 2.9%, as expected, but core showed further disinflation.

**At least three Chinese copper smelters** plan to boost exports as new sanctions on Russia made sales more profitable. LME price spreads for the metal and aluminum narrowed. Copper must top at least \$10,000 for miners to fill a potential supply gap, Trafigura’s Jeremy Weir said.

**US housing starts** fell 14.7% in March, worse than expected, to a 1.32 million annualized rate, the lowest since August. Industrial output rose 0.4% for a second month.

## Global Equities

**Bank of America** fell after reporting elevated expenses and soured loan charge-offs, despite a gain in its trading business.

**Morgan Stanley** rose as revenue beat. Five of the largest US banks posted almost \$2 billion more from trading than forecast.

**LVMH’s** sales sputtered last quarter, falling 6% in Asia ex-Japan.

LVMH  
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**Joe Biden** is set to meet about 200 members of the United Steelworkers in Pittsburgh on Wednesday, a key opportunity to court a group embroiled in a battle with Nippon Steel over its takeover of US Steel.

**Carnival** launched a deal to reprice two existing JPMorgan-led loans, paying down \$800 million on debt due in 2027 and 2028.

**United Airlines** forecast better-than-expected profit this quarter, but cut its aircraft delivery expectations for the year.

**Adidas** raised its annual profit guidance amid strong demand for its classic Samba sneakers.

**Johnson & Johnson’s** profit beat on outperforming drug sales.

**China’s Dongfeng Motor** is weighing a plant in Italy with a capacity to make more than 100,000 vehicles a year.



## ASX MARKET

Australian shares adding to this week's already substantial losses, after the US continued to flag that rate cuts could be some way off.

S&P/ASX 200 is down 11 points, or 0.1 per cent to 7601, after falling 2 per cent in the week's first two sessions.

Gold miners are among the best performing on the ASX, following another step higher in the price of precious metal overnight.

## GENERAL

- AGL AU: A Software Billionaire Is Betting Big on an 'Insane' Climate Fix
- RIO AU: Rio Tinto Copper Boss Says Building Mines Is Better Than Buying
- AIR NZ: Air New Zealand Working 'Constructively' With Boeing, Chair Says
- CEN NZ: Contact Energy Nine-Month Generation Rises 15% on Thermal Output
- SKC NZ: SkyCity Entertainment Names Jason Walbridge CEO From July
- IREN: Iris Energy Options Surge on Strategy Trades

## RATINGS CHANGES

- COE AU: Cooper Energy Cut to Hold at Bell Potter; PT 21 Australian cents

**Australian bond yields** jumped to 2024 highs, buoyed by a spike in US Treasuries after Federal Reserve chairman Jerome Powell suggested interest rates may need to stay high for longer than previously thought due to sticky inflation. Australian 3-year yields, which are sensitive to interest rate expectations, leapt 8 basis points to 3.94 per cent and the 10-year return advanced 9 basis points to 4.38 per cent.

## Quote of the Day

"Ours is a circle of friendships united by ideals."

*Juliette Gordon Low*

**Gina Rinehart's Hancock Prospecting** lifted its stake in Lynas Rare Earths Ltd, the world's biggest non-China producer of rare earths, to 5.82 per cent on Tuesday. The share raid has fuelled speculation Australia's richest person may emerge as a kingmaker in any rare earths mega-merger between Lynas and New York-listed MP Materials. Lynas Rare Earths is up 3.6 per cent to \$6.31 this morning.



**BHP's** flagship iron ore division will consume almost seven times more power by 2040 because of fleet electrification, compelling the miner to expand a gas-fired power station which it will rely on until 2053. It sought permission from the West Australian government to double the generation capacity of the Yarnima power station in the Pilbara iron ore district, as a first step toward meeting the additional demand required to power trucks and trains with batteries rather than diesel.

**Windlab**, taken private by **Andrew Forrest's Squadron Energy** and Sydney's Federation Asset Management in 2020, has kicked off a round of meetings with banks to line up nearly \$1 billion in debt financing for its Gawara Baya wind farm in Queensland. AFR Street Talk understands Windlab has mandated ICA Partners to arrange debt funding for the project, including a 408-megawatt wind farm and a 100-megawatt two-hour battery. It is expected to cost \$1.4 billion to get up and running.



## Other News

**Dubai's luxury home market** is booming. Sales of properties with a price tag of \$10 million or more climbed 19% in the first quarter as the world's ultra-wealthy continue to flock to the Middle East's business and tourism hub. Palm Jumeirah accounted for more than a third of the activity.



**A shadow Taylor Swift economy** of bootleg bracelets and bodysuits is emerging. About 95% of Swifties have bought her merchandise in the past year, with more than half picking up some unofficial goods, according to a February survey by QuestionPro.

**Checkmate.** There's a scandal brewing at one of the highest levels of chess — walking too loudly, the WSJ reported. Officials are weighing one drastic change to the game's most prestigious tournament: installing extra carpeting.

**ABBA, Biggie and Blondie** are heading for American music immortality, the AP reported. Select albums by the artists are among this year's inductees into the National Recording Registry at the Library of Congress, to be preserved "for all time."

**On This Day in History:** US lunar spacecraft Apollo 13 entered the Earth's atmosphere and splashed down in the Pacific Ocean in 1970, ending one of the most tense chapters in space history. Four days earlier an oxygen tank had exploded in the spacecraft, threatening the lives of the three astronauts on board.

Kelly Slater, the greatest professional surfer of all time, said "everything must come to an end" after his final

**Pay Gap:** Caitlin Clark, the No. 1 pick in the WNBA draft, will make about \$76,500 on the court in her debut season, reflecting the huge disparity between men's and women's basketball stars. While she'll get roughly \$3 million in advertising deals, it's a reminder of the league's hurdles. The top pick in the NBA draft's base salary is more than \$12.1 million, the WSJ reported.



**Beijing Half Marathon:** Organizers are investigating the race's results after three African runners appeared to wave a Chinese competitor past them before the finish.

**On the block:** An oil-on-canvas relic that preceded Winston Churchill's most hated portrait — one that eventually was set on fire — is heading for auction at Sotheby's in June. The study by Graham Sutherland is expected to fetch up to £800,000.





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## The Daily Brief

season of full-time competition on the World Tour came to a close with defeat at the Western Australia Margaret River Pro on Tuesday.

Slater's loss to current ratings leader Griffin Colapinto in the Round of 32 meant the 52-year-old misses the mid-season cut that reduces the field of the top-tier World Tour by one-third. While the 11-time world champion did not officially announce his retirement, Slater said he was heading into a new chapter of his life.



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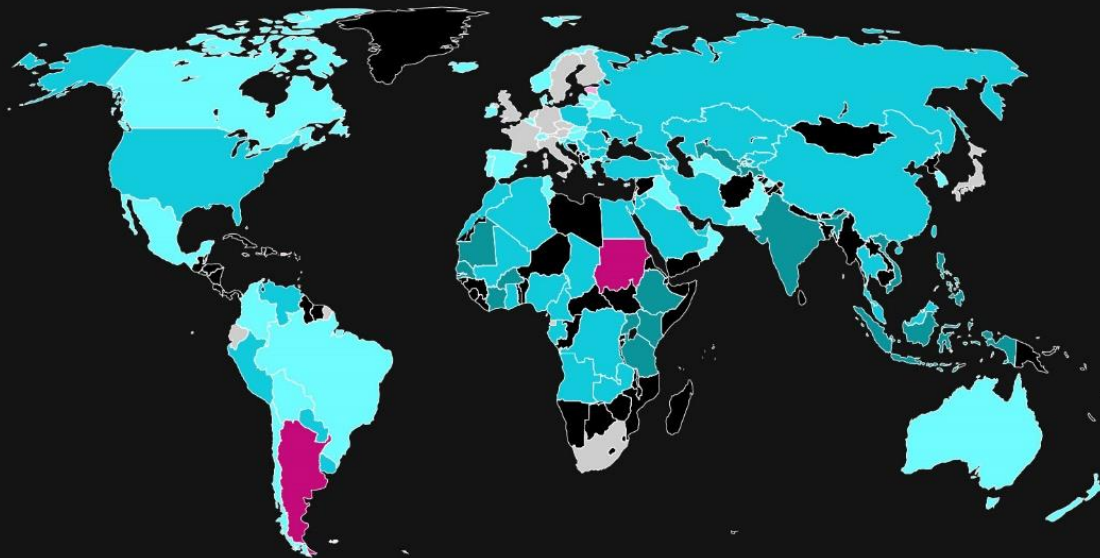
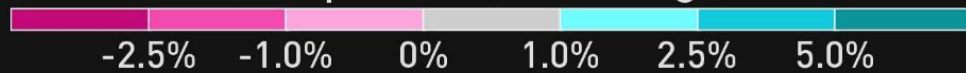
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# The Daily Brief

**Map of the Day:** The IMF lifted its estimate for global GDP growth in 2024 by 0.1 ppt to 3.2%, while warning of risks including inflation and high rates. The fund kept its forecast for China at 4.6%, but said real estate woes, rivalry with the US and trade friction from its exports pose dangers.

## IMF Sees Most Economies Expanding This Year

Gross domestic product (YoY change)



Source: IMF WEO April 2024

Note: Mapped data show forecasts for 2024 output for distinct economies **Bloomberg**



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