



Friday, 22nd March 2024

Overnight Markets

Equities	Close	Chg	Pct %
Dow Jones	39,781.4	269.2	0.68%
S&P 500	5,241.5	16.9	0.32%
Nasdaq	16,401.8	32.4	0.20%
FTSE 100	7,882.6	145.2	1.88%
Dax Index	18,179.8	164.7	0.91%
CAC 40	8,179.7	18.3	0.22%
Hang Seng	16,863.1	320.0	1.93%
Nikkei	40,815.7	0.0	0.00%
SPI Futures	7,821.0	-18.0	-0.23%
Commodities	Close	Chg	Pct %
Brent Crude US\$/bbl	85.58	-0.37	-0.43%
Spot Gold US\$/oz	2,181.45	0.34	0.02%
Iron Ore US\$/ton	108.50	0.00	0.00%
Copper COMEX (\$U:	4.06	0.00	0.10%
Currencies	Close	Chg	Pct %
AUD / USD	0.6571	0.0001	0.02%
EUR / USD	1.0861	0.0002	0.01%
AUD / GBP	0.5191	0.0000	0.01%
EUR / AUD	1.6530	0.0003	0.02%
USD / YEN	151.6660	0.0490	0.03%
Rates	Close	Chg	Pct %
\$A Cash Rate	4.35	0.000	0.00%
\$A 3 Yr Bond	3.70	-0.013	-0.35%
\$A 10 Yr Bond	4.07	-0.020	-0.49%
\$US 10 Year Bond	4.26	0.000	0.00%
\$US 30 Year Bond	4.44	0.000	0.00%
Companies	Close	Chg	Pct %
Apple Inc	171.37	-7.30	-4.09%
LVMH	846.40	0.40	0.05%
Disney	116.70	0.24	0.21%
Microsoft	429.37	4.14	0.97%
Google	148.74	-0.94	-0.63%
JP Morgan	199.06	2.73	1.39%
Amazon	178.15	0.00	0.00%
Alibaba	73.83	-0.35	-0.47%

Overnight Highlights

Ukraine latest: The US proposed a plan to the G-7 that they create a special purpose vehicle to issue at least \$50 billion of bonds backed by the profits from frozen Russian assets. The proceeds, to support Ukraine, would almost equal the \$60 billion of aid stuck in Congress. The EU agreed to start membership talks with Bosnia to counter Moscow's growing influence. Germany pledged to spend €300 million as part of a Czech-led initiative to buy 800,000 rounds of ammunition for Ukraine, people familiar said.

Israel latest: Israel will ultimately invade Rafah no matter what the US says, Strategic Affairs Minister Ron Dermer said. An Israeli delegation will leave for Qatar on Friday to meet CIA Director William Burns to seek to advance a hostage deal.

Donald Trump has an enthusiastic base and a polling advantage in swing states. He does not have anywhere near the amount of money as his rival, President Joe Biden. Financial woes have become a major vulnerability for the presumptive Republican nominee as he enters what is expected to be the most expensive presidential election in history. Trump has racked up millions in legal bills and New York may seize Donald Trump's Westchester assets if he fails to post a \$454 million appeal bond by Monday.



China and Russia reached a deal with the Houthis to allow their ships to sail through the Red Sea and Gulf of Aden without being attacked, people familiar said. In exchange, the countries may provide the group with political support in bodies such as the UN Security Council.

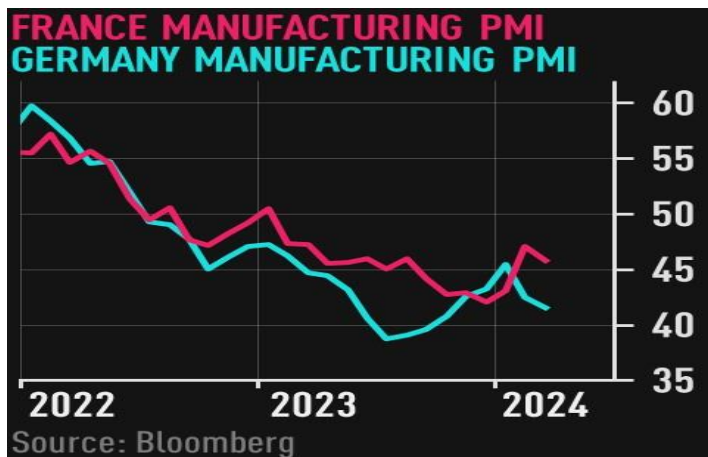


Global Market

US stocks gained on hopes of a soft landing after the SNB's surprise cut, prompted by slowing inflation. While the action paves the way for the Fed to act, Larry Summers criticized the US central bank for having "itchy fingers" to trim. The BOE held but its two hawks dropped their push for hikes. Banxico cut by 25 bps to 11%.

In other markets, the dollar strengthened against all G-10 peers, with the franc and pound tumbling. Gold and oil fell. Ten-year Treasury yields were little changed. Reddit closed 48% above its IPO price. Asian equity futures are mixed.

The euro area's flash manufacturing PMI (Purchasing Managers Index) unexpectedly fell to 45.7 in March after weaker-than-forecast readings in Germany and France.



The Bank of England's Andrew Bailey said the UK is "on the way" to victory over inflation and officials don't need to wait for underlying pressures to fully ease before cutting rates.

Turkey hiked its cash rate to 50% from 45% to support the lira.

Money-market fund assets fell for the first time in about a month, dropping from an all-time high amid the first quarterly corporate tax payment of the year. About \$61.9 billion flowed out of US money-market funds in the week through March 20, according to Investment Company Institute data. Total assets dropped to \$6.047 trillion from \$6.108 trillion the week prior.

Quote of the Day

"Good company and good discourse are the very sinews of virtue."

Izaak Walton

Global Equities

Apple shed about \$115 billion in market value after a report that it and Google are set to face full-blown EU probes into their compliance with a new law reining in the power of Big Tech. Additionally, the DOJ and 16 attorneys general sued the iPhone maker for allegedly violating antitrust laws.



Reddit Inc. shares soared 48% above their initial public offering price, as investors embraced the social media company's vision of profiting from the growth of artificial intelligence. Reddit's IPO is the fourth largest on a US exchange in 2024, as the market for first-time share sales continues to rebound after two of the slowest years in a decade. The successful listing is set to fire the starting gun for tech companies whose offering plans have been on hold.



Micron posted its biggest gain (14%) in more than 12 years after giving a surprisingly strong sales forecast, buoyed by AI demand. The firm will have earnings of about 45 cents a share; analysts projected 24 cents.

Nike's revenue topped consensus on stronger shipments to the US and China.

FedEx rose more than 10% after earnings beat and it unveiled a \$5 billion buyback program. Adjusted earnings were \$3.86 a share for the period ending Feb. 29, topping Wall Street's third-quarter expectations of \$3.46 a share, FedEx said Thursday in a statement. Sales of \$21.7 billion fell slightly short of estimates compiled by Bloomberg.



ASX MARKET

Australian shares edged lower at the open, despite another push higher in New York where all three major benchmarks reset record highs. The rally's momentum was checked somewhat by a 4.1 per cent slide in Apple, which is being sued by the US Department of Justice.

The S&P/ASX 200 Index slipped 0.1 per cent, or by 8.5 points to 7773.5 at the start of trade, weighed down by energy and consumer discretionary stocks. The benchmark finished up 1.1 per cent, or 86.2 points, at 7782 on Thursday.

Energy stocks tracked a lower crude oil price, down 0.6 per cent. Oil edged lower as a stronger US dollar outweighed optimism that the Federal Reserve will stick to its path of interest-rate cuts this year. Woodside Energy fell 0.5 per cent and Santos declined 0.7 per cent.

GENERAL

- LNK AU: Link: Independent Expert Says MUFG Takeover Fair, Reasonable
- VUK AU: Nationwide Agrees to Buy Virgin Money UK for £3B 220P/Share in Cash
- RIO LN, BHP AU: Iron Ore Fizzes Higher on Speculation That Epic Selloff Is Done

RATINGS CHANGES

- BKW AU: Brickworks Cut to Hold at Bell Potter; PT A\$29
- SIG AU: Sigma Healthcare Cut to Sell at Shaw and Partners; PT A\$1
- WEB AU: Webjet Cut to Neutral at Macquarie; PT A\$8.88

Fisher & Paykel Healthcare rallied 7 per cent after the company upgraded its earnings guidance for financial year 2024 to be in the range of approximately \$NZ260 million (\$239.1 million) to \$NZ265 million. The forecast is up from the company's previous net profit after tax projection of a range of \$NZ250 million to \$NZ260 million.

Glencore, Australia's biggest thermal coal producer, has withdrawn a promise to keep annual coal production below 150 million tonnes, backpedalling from a climate pledge it made five years ago. Glencore produced 140 million tonnes of coal in 2019 and production has been well below the cap since, with the miner producing between 103 million and 113 million in the subsequent four years. But Glencore's coal division is set to grow sharply this year, when it is expected to close a \$US6.93 billion (AUD\$10.5 billion) deal to acquire the coking coal division of Canada's Teck Resources. Teck is expected to produce close to 26 million tonnes of coal in 2024, while Glencore has told investors it will produce up to 115 million tonnes, excluding Teck's volumes.





Other News

BMW unveiled a concept electric SUV to take on Tesla and Mercedes. A road legal version of the BMW Vision Neue Klasse X electric sport activity vehicle is a way off, here's a sneak peak.



Scientific advances. Doctors successfully transplanted a genetically-edited pig kidney into a man with end-stage disease, a step toward using animal sources to help alleviate critical shortages of organs. The 62-year-old patient is recovering from the procedure performed last week and is expected to be discharged soon.

As Aussies gear up for a chocolate-filled Easter, there are fresh warnings your favourite sweet treat could soon cost a lot more at the checkout. One of the main ingredients in chocolate, cocoa, has soared in price due to crops being affected by bad weather and that is expected to squeeze producers even more than they already are. At the start of the year, the dried seed of the fruit from the cocoa tree was trading around US\$4,238 per tonne, according to the Intercontinental Exchange. As of this week, that price has skyrocketed to US\$8,234 per tonne.

Canada plans to cut the number of temporary residents 20% over the next three years, after an immigration influx exacerbated housing shortages.

The owners of Miami Beach's Cleavelander hotel are offering to swap their hard-partying ways for a chance to build two 12-story luxury condos. But Jesta's proposal has sparked controversy among residents concerned about the impact on the city's Art Deco skyline, in which buildings are usually capped at just five stories.



On This Day in History: The first Masters kicked off at the Augusta National Golf Club in 1934. CBS Radio followed the action, making it the second golf tournament to be broadcast live. Horton Smith won the event and took home \$1,500. Last year's winner Jon Rahm (pictured) won a record \$3.24 million first place prize.





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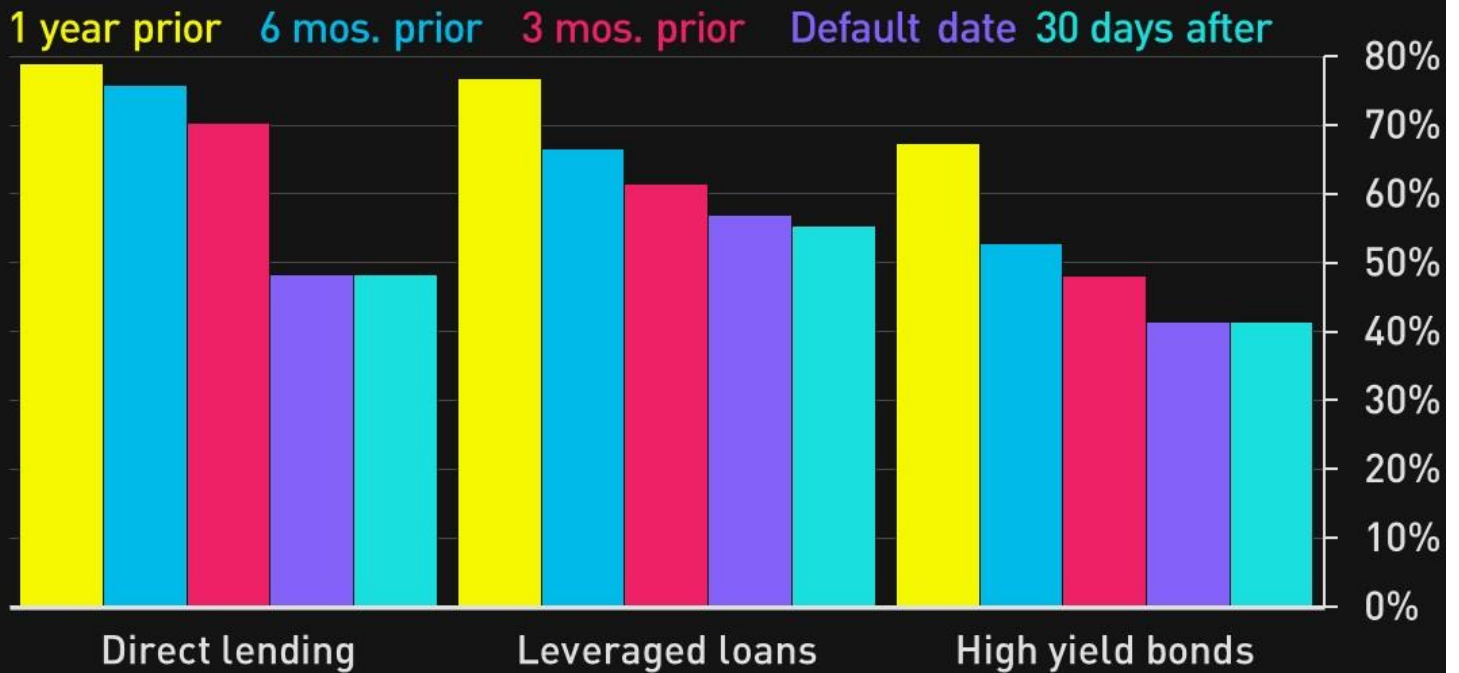
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Chart of the Day: The dangers of private credit firms overvaluing their own assets has become one of the booming \$1.7 trillion industry's most contentious topics in recent weeks. New data on how much money they expect to get back from defaulting borrowers will only add fuel to that fire. Private credit loans that defaulted in the past year, the data shows that those made by private credit firms were valued at an average of 48 cents in the aftermath of the default, showing how much, they'd expect to recover on each dollar lent. That's worse than loans by bank-led syndicates, where the average value was 55 cents a month after default.

Poor Outcome for Private Credit Defaults



Source: KBRA DLD

Note: TTM as of March 12, 2024

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