



Daily European Opening News

14th September 2023

SNAPSHOT

STOCKS			
Nikkei 225	+1.4%	ASX 200	+0.5%
Hang Seng	-0.3%	Shanghai Comp	Unch.
Euro Stoxx 50 Sep'23	+0.2%	DAX Sep'23	+0.2%
ES Sep'23	+0.3%	NQ Sep'23	+0.4%

FX			
DXY	-0.2% (104.58)	EUR/USD	+0.2% (1.0748)
USD/JPY	-0.2% (147.09)	GBP/USD	+0.1% (1.2500)

BONDS			
US T-Note Dec'23	+4 ticks	Bund Sep'23	+36 ticks
US 10yr Yield	4.23%	German 10yr Yield	2.64%

ENERGY & METALS			
WTI Oct'23	+0.6%	Brent Nov'23	+0.5%
Spot Gold	+0.2%	LME Copper	Unch.

CRYPTO			
Bitcoin	+0.1%	Ethereum	+0.9%

As of 06:12BST/01:12EDT

LOOKING AHEAD

- Highlights include US IJC, PPI, NZ Manufacturing PMI, ECB Policy Announcement & ECB President Lagarde's Press Conference, Supply from US.

US TRADE

EQUITIES

- US stocks** were choppy and finished mixed with trade characterised by the fallout from the CPI report which initially saw a kneejerk hawkish reaction that swiftly unwound as many deemed the report as lacking anything to convince officials that more hikes are needed, despite the pick-up in supercore CPI, while the larger jump in the headline Y/Y figure was unsurprisingly driven by energy price increases which officials are likely to look past.
- SPX** +0.13% at 4,467, **NDX** +0.38% at 15,348, **DJIA** -0.20% at 34,575, **RUT** -0.78% at 1,840.



- Click [here](#) for a detailed summary.

NOTABLE US HEADLINES

- **US President Biden said Republicans want to impeach him because they want to shut down the government.** In relevant news, **GOP Senator Thune said a stopgap spending bill will be needed to avoid a government shutdown**, according to Reuters.
- **UAW President said they will not allow the negotiations to drag out for months and that all three wage offers from the Detroit 3 automakers are inadequate, while the UAW rejected profit-sharing proposals.** Furthermore, the **sides are still very far apart on key priorities and they are preparing to strike, while UAW plans to initially strike at a limited number of facilities and would announce more plants as bargaining continues if no deal is reached**, as well as noted that an all-out strike is still a possibility.

APAC TRADE

EQUITIES

- **APAC stocks** were predominantly firmer and mostly shrugged off the indecision seen on Wall St in the aftermath of a somewhat hawkish-leaning US inflation report
- **ASX 200** was marginally higher amid strength in the commodity-related and financial sectors, while the latest employment data provided encouragement but was predominantly fuelled by an increase in part-time jobs.
- **Nikkei 225** outperformed and rose back above the 33,000 level amid anticipation of incoming stimulus and with the index unfazed by disappointing machinery tool orders.
- **Hang Seng** and **Shanghai Comp** were choppy after a substantial liquidity drain by the PBoC and with strength in energy and power names offset by the pressure on EV makers after reports the European Commission is to begin an anti-subsidy investigation into Chinese EVs.
- **US equity futures** notched mild gains alongside the improvement in risk appetite in Asia-Pac peers.
- **European equity futures** are indicative of a higher open with Euro Stoxx 50 future +0.2% after the cash market closed down 0.4% yesterday.

FX

- **DXY** was uneventful after pulling back from resistance just shy of the 105.00 level as the initial hawkish knee-jerk reaction to the US inflation data unwound.
- **EUR/USD** lacked direction after the prior day's choppy performance heading into the ECB policy meeting later today with money markets pricing around a 64% chance of a 25bps rate hike.
- **GBP/USD** traded steadily after clawing back the losses that were triggered by recent data releases.
- **USD/JPY** pulled back despite disappointing Machinery Orders and just about held above 147.00.
- **Antipodeans** gave back some of their early gains as the initial tailwinds from better-than-expected jobs data waned with the increase in headline employment mostly due to part-time work.
- **PBoC set USD/CNY mid-point at 7.1874 vs exp. 7.2784 (prev. 7.1894).**
- **PBoC asked some banks to hold off on immediate dollar purchases in the interbank market to square FX positions with banks told to hold such open FX positions until net exposure hits a certain level**, according to Reuters sources.
- **Turkey introduced 25% required reserves for FX-protected Lira deposits with maturities of up to 6 months**, according to the Official Gazette.

FIXED INCOME

- **10yr UST futures** marginally extended on yesterday's advances after the dust settled post-CPI despite the somewhat hawkish-leaning inflation prints but with further upside capped following a weak US 30yr offering.
- **Bund futures** remained afloat as participants looked ahead to the outcome of today's ECB meeting.
- **10yr JGB futures** were range bound and only briefly benefitted from the mixed 20yr auction which resulted in the highest b/c since 2020.

COMMODITIES

- **Crude futures** were marginally higher amid ongoing expectations of a tightening oil market, while there were also reports of escalation of industrial action at Chevron's Australian LNG facilities.



- **White House Economic Adviser Bernstein said the energy department is in touch with producers and refiners to resolve any issues and try to ensure stable supply.**
- **Australian union official noted a significant escalation in industrial action at Chevron's (CVX) Australian LNG facilities on Thursday and said the decision on whether to strike for the full 24 hours is being taken on a case-by-case basis across the 3 facilities involved,** according to Reuters.
- **Spot gold** traded sideways after the post-CPI indecision and amid an uneventful dollar.
- **Copper futures** slightly gained but with price action choppy amid the mixed risk appetite.
- **Shanghai Futures Exchange is looking at the launch of nickel futures contracts for international use,** according to Reuters sources.

CRYPTO

- **Bitcoin** eked mild gains after having recently reclaimed the USD 26,000 level.

NOTABLE ASIA-PAC HEADLINES

- **White House called for China to be more transparent on Apple (AAPL) iPhone curbs,** while it is watching it with concern and said it appears to be aggressive and inappropriate corporate retaliation.
- **China Passenger and Car Association head said China's EV industrial chain is highly competitive and urges the EU to take an objective view of the industry's development,** while he added that China's strong EV exports are not the outcome of heavy state subsidies.
- **Japan's new economy minister Shindo said they will mobilise all possible policy measures to support the economy and will consider bold measures to ease the pain of price hikes,** according to Reuters.

DATA RECAP

- Japanese Machinery Orders MM (Jul) -1.1% vs. Exp. -0.9% (Prev. 2.7%)
- Japanese Machinery Orders YY (Jul) -13.0% vs. Exp. -10.7% (Prev. -5.8%)
- Australian Unemployment Rate (Aug) 3.7% vs. Exp. 3.7% (Prev. 3.7%)
- Australian Participation Rate (Aug) 67.0% vs. Exp. 66.7% (Prev. 66.7%)
- Australian Employment (Aug) 64.9k vs. Exp. 23.0k (Prev. -14.6k)
- Australian Full-Time Employment (Aug) 2.8k (Prev. -24.2k)

GEOPOLITICS

- **North Korean leader Kim said the meeting with Russian President Putin brought bilateral ties to a new level, while they agreed to further strengthen strategic and tactical cooperation and to step up cooperation to fight imperialists' military threats, provocations and tyranny, while Kim was briefed on technical details about Russian space vehicles and invited Putin to visit North Korea which Putin accepted,** according to KCNA.
- **US State Department said it is troubling when you see Russians talking about cooperating with North Korea on programmes that would violate UN Security Council resolutions.**

EU/UK

Data Recap

- UK RICS Housing Survey (Aug) -68.0 vs. Exp. -56.0 (Prev. -53.0)

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