



Morning Brief

14th June 2019

Overnight Markets

Equities	Close	Chg	Pct %
Dow Jones	26,106.8	101.9	0.39%
S&P 500	2,891.6	11.8	0.41%
Nasdaq	7,837.1	44.4	0.57%
FTSE 100	7,368.6	0.9	0.01%
Dax Index	12,169.1	53.4	0.44%
CAC 40	5,375.6	0.7	0.01%
Hang Seng	27,294.7	0.0	0.00%
Nikkei	20,996.5	-35.5	-0.17%
SPI Futures	6,548.0	2.0	0.03%
Commodities	Close	Chg	Pct %
Brent Crude US\$/bbl	61.10	-0.23	-0.38%
Spot Gold US\$/oz	1,343.95	2.11	0.16%
Copper COMEX (\$US/t)	2.66	0.00	0.15%
Currencies	Close	Chg	Pct %
AUD / USD	0.6913	-0.0002	-0.04%
EUR / USD	1.1281	0.0004	0.03%
AUD / GBP	0.5451	-0.0004	-0.08%
EUR / AUD	1.6318	0.0011	0.07%
USD / YEN	108.3055	-0.0840	-0.08%
Rates	Close	Chg	Pct %
\$A Cash Rate	1.25	-0.250	-16.67%
\$A 3 Yr Bond	0.99	-0.007	-0.73%
\$A 10 Yr Bond	1.38	-0.024	-1.69%
\$US 10 Year Bond	2.09	-0.031	-1.45%
\$US 30 Year Bond	2.59	-0.022	-0.85%
Companies	Close	Chg	Pct %
Apple Inc	194.15	-0.04	-0.02%
LVMH	353.50	-2.90	-0.81%
Disney	141.74	6.02	4.44%
Microsoft	132.32	0.83	0.63%
Google	1,088.77	11.74	1.09%
JP Morgan	109.54	0.27	0.25%
Amazon	1,870.30	14.98	0.81%
Alibaba	160.33	0.29	0.18%

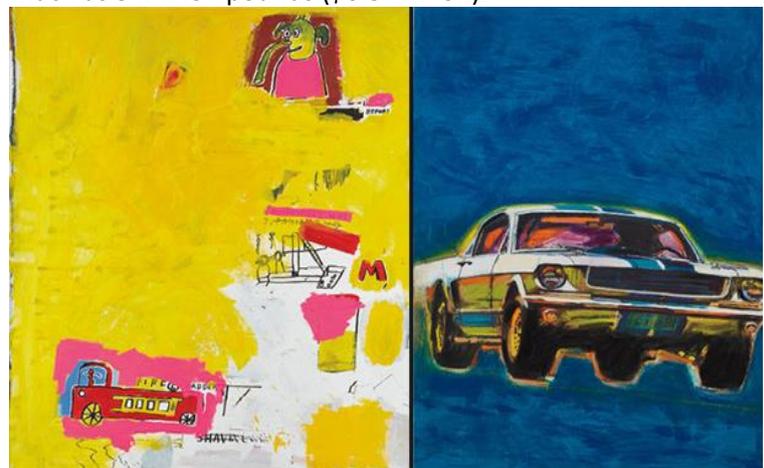
Overnight Highlights Need to Know

The U.S. blamed Iran for attacks on two oil tankers near the Persian Gulf, further raising the risk of a military conflict. American officials have determined Tehran was responsible, Secretary of State Michael Pompeo said, without providing evidence. Iranian Foreign Minister Javad Zarif suggested his country's enemies may be culpable and reiterated calls for regional dialogue.



ACCUSED

Clearing out the bachelor pad: Retired baseball star Alex Rodriguez and his fiancée, entertainer Jennifer Lopez, are "committed as a couple to collect together," A-Rod's art dealer said. "So he's making some changes." This means parting with two paintings from his current collection, Jean-Michel Basquiat's 1984 Pink Elephant with Fire Engine and Richard Prince's Mustang Painting from 2014-16. The two will be auctioned at Phillips in London on June 27 and could bring in as much as 5 million pounds (\$6.3 million).



Source: Property from the collection of Alex Rodriguez.



Morning Brief

GLOBAL MARKET

Oil Surges

Brent crude climbs on suspected Gulf of Oman attack



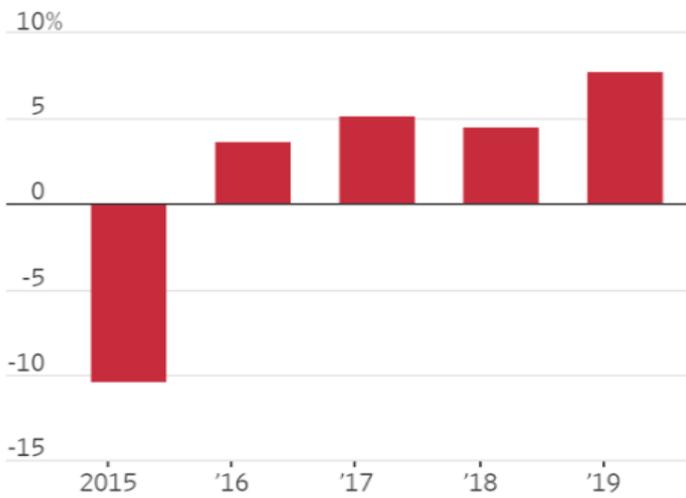
US Equities halted a two-day decline, with the S&P 500 hitting a five-week high. Caution over trade and Mideast tensions prevailed, sending Treasuries higher. The dollar was mixed, with the yen and Swiss franc benefiting from haven buying. Gold climbed.

European Equities resumed their advance, with real estate companies leading gains on the Stoxx 600. Sovereigns broadly rallied, led by Italy, Greece and Britain.

Asian Equities faced a muted start Friday after U.S. equities eked out gains and the global bond rally extended. Futures pointed to modest gains for shares in Tokyo and Sydney, while Hong Kong contracts dipped.

Veggie Burgers

Veggie burgers served in U.S. fast-food restaurants, change from a year earlier

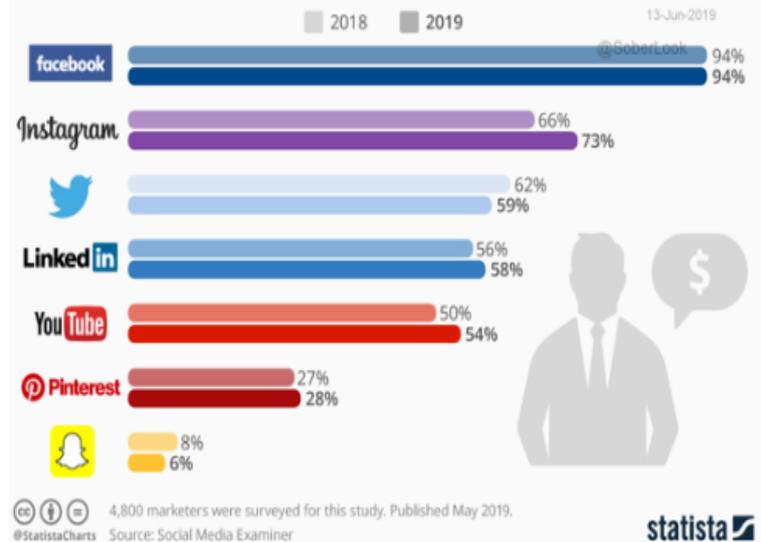


*12 months ended in March; includes sandwiches
Source: The NPD Group

Marketers working with social media platforms

Marketers Warm Up to Instagram

% of social media marketers working with the following platforms



The price of gold is nearing the \$1,350 level that it's failed to conquer over the last five years. That may be about to change if Paul Tudor Jones's latest call proves prescient. The macro trader called the metal his favorite pick for the next 12 to 24 months, saying that were it to hit \$1,400, it could quickly move to \$1,700. Source: Bloomberg

MOMENT OF TRUTH

Spot Price



Morning Brief

ASX MARKET

S&P/ASX 200 Index futures rose 0.1% to 6,555 as of 6:59 a.m. Futures relative to fair value suggest early gain of 0.2%. U.S. stocks ended a two-day slide and Treasuries rose as investors weighed the outlook for interest rates. Oil rallied amid rising tensions in the Middle East.

Bluescope, Sims Metal Raised at Citi as Sector Looks Oversold

Market may be near the bottom given cash steel spreads are about 20% below the 5-year average as prices trade at three-year lows amid soft demand, analysts led by Daniel Kang write in June 13 note.

* Suppliers likely to react to the lower spreads while global stimulus measures may also boost market sentiment; Raw material costs are easing, while scrap is expected to benefit from current discount to pig iron. "Likely consensus downgrades now more than priced in": Citi

* Bluescope raised to buy from neutral amid expected approval of North Star expansion and ongoing share buyback program; PT unchanged at A\$14.50

** BSL: 4 buys, 6 holds, 1 sell; avg. PT A\$14.08

* Sims raised to buy vs neutral on valuation; PT kept at A\$11.50 ** SGM: 3 buys, 5 holds, 2 sells; avg. PT A\$10.91



Quarterly rebalance: Afterpay added to ASX 100, Syrah Resources kicked out of ASX 200

S&P/ASX 100 index changes. Australia's top 100 listed companies has a couple of new faces this quarter. Payments company **Afterpay Touch Group Ltd** (ASX: APT).

S&P/ASX 200 index changes. The benchmark S&P/ASX 200 index has seen three changes this quarter. Struggling graphite producer **Syrah Resources Ltd** (ASX: SYR) have been kicked out of the S&P/ASX 200 index. Source: MF

Sydney CBD congestion tax would hit wealthy hardest

High-income earners would bear the brunt of congestion charging in Sydney's CBD if it was introduced, according to an analysis of driver behaviour. The analysis by the Grattan Institute comes as the new chair of the Productivity Commission, Michael Brennan, this week threw his support behind congestion charging, whereby road users are charged higher rates to enter busy areas or travel at peak times of the day.

Grattan Institute's transport and cities program director, Marion Terrill, said people who drove into the CBD typically had higher incomes. "If the NSW government established a cordon charge around the CBD in Sydney, it would predominantly affect wealthier people. Far more Sydneysiders drive to work in the CBD from the electorates of Wentworth and Warringah than from Blaxland and Parramatta."

"In Sydney, a typical full-time weekly income for those who drive to the CBD is \$2490 - that's \$1070 a week more than the typical full-time worker. NSW Transport and Roads Minister Andrew Constance also sought on Thursday to spur a rethink of how governments charge for transport services, citing a "mobility pricing" model akin to people subscribing to Netflix.

Source: Bloomberg



Source: Bloomberg



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Images of the Day:

Fake meat is hot. Can half-meat ride the wave? Tyson Foods will introduce a half-pea-protein, half-Angus-beef burger later this year. It's designed to tempt so-called flexitarians, the growing segment of people who eat meat but are cutting back and adding more vegetable-based protein to their diets. And coming soon: sausages and meatballs made of a chicken-plant blend.



A tourist ship travels along the Tonle Sap River in Phnom Penh, Cambodia.



Photographer: Tang Chhin Sothy/AFP via Getty

On This Day in History: A Baptist preacher from Bourbon County, Kentucky, invented the American spirit by making whiskey distilled from maize in 1789, or so the legend goes. Reverend Elijah Craig is credited with the discovery that aging the alcohol in a charred barrel gives it a distinctive taste and amber color. Demand soon grew for the whiskey from Bourbon.



Photographer: via Getty

