

Morning Report

Tuesday, 13 April 2021

Equities (close & % change)			Sydney Futures Exchange (close & change)					Interest rates (close & change)			
S&P/ASX 200	6,974	-0.3%			Last	Overnight Chg		Australia			
US Dow Jones	33,745	-0.2%	10 yr bond		98.25	-0.02		90 day BBSW	0.04	0.00	
Japan Nikkei	29,539	-0.8%	3 yr bond		99.75	-0.01		2 year bond	0.08	0.00	
China Shanghai	3,577	-1.1%	3 mth bill rate		99.95	-0.01		3 year bond	0.26	0.00	
German DAX	15,215	-0.1%	SPI 200		6,964.0	15		3 year swap	0.31	0.00	
UK FTSE100	6,889	-0.4%	FX Last 24 hrs	Open	High	Low	Current	10 year bond	1.77	0.02	
Commodities (close & change)*			TWI		63.9	-	-	63.7	United States		
CRB Index	186.4	-0.3	AUD/USD		0.7652	0.7636	0.7595	0.7624	3-month T Bill	0.01	0.00
Gold	1,732.76	-11.1	AUD/JPY		83.62	83.69	83.16	83.41	2 year bond	0.17	0.01
Copper	8,934.75	-83.5	AUD/GBP		0.5572	0.5563	0.5539	0.5547	10 year bond	1.67	0.01
Oil (WTI)	59.70	0.4	AUD/NZD		1.0842	1.0847	1.0815	1.0844	Other (10 year yields)		
Coal (thermal)	86.20	0.7	AUD/EUR		0.6422	0.6414	0.6389	0.6401	Germany	-0.29	0.01
Coal (coking)	116.83	-0.5	AUD/CNH		5.0169	5.0039	4.9850	4.9926	Japan	0.11	0.00
Iron Ore	166.65	1.3	USD Index		92.1	92.3	92.0	92.1	UK	0.79	0.02

Data as at 8:00am. Change from previous trading day (excluding the SFE which is the change during the night session). Source: Bloomberg.

Main Themes: Investors took a breather overnight after a number of equity markets hit record highs last week. Markets are waiting for the release of US earnings later this week.

Share Markets: Equity markets pared gains after several markets reached new highs last week.

The Dow slipped 0.2%. In Europe, the Dax ticked down 0.1%. The ASX 200 declined 0.3% although futures point to a solid open.

Interest Rates: US bond yields were largely unchanged amid an influx of issuance. The US 10-year Treasury yield finished at 1.67%.

The Australian 10-year government yield ticked up 2 basis points to 1.77%.

Foreign Exchange: The Australian dollar against the US dollar continued to trade in the narrow range we have seen over recent weeks. It finished slightly lower at 0.7624. The US dollar index was unchanged.

Commodities: Copper fell on concerns that China's efforts to stem commodities inflation will hurt demand. Oil was flat and gold dropped.

COVID-19: England reopened shops, beauticians and barbers today. Pubs have also opened their doors, although patrons will have to brave the cold and sit in beer gardens.

Australia: There was no major economic data published in Australia yesterday.

China: Aggregate financing, which is the broadest measure of credit, grew 3.3 trillion yuan in March. This compares to 1.7 trillion yuan in February and 5.2 trillion yuan in the same month last year. The pickup was underpinned by a stronger-than-expected extension of loans by banks, at 2.7 trillion yuan. This is despite the fact that the People's Bank of China has reportedly asked banks to curtail loan growth.

Eurozone: Retail sales in February were stronger than expected, increasing 3.0% after declining 5.9% in the previous month, even though restrictions tightened in parts of the continent.

United States: US Federal Reserve member Bullard indicated it was too early to begin talking about tapering, although this would start once 75% to 80% of the population is vaccinated. He also noted it would be difficult to interpret upcoming CPI data due to base effects and supply chain bottlenecks, with better comparisons to be made in the second half of the year.

The US federal budget deficit last month was US\$659.6 billion, the third largest on record and the biggest since last June. This comes amid a fresh wave of stimulus payments hitting the bank accounts of Americans. Payments of up to \$1400 per person were authorised under the \$1.9 trillion package passed last month.

Today's key data and events:

NZ Card Spending Retail Mar prev -2.5% (8:45am)

AU Roy-Morgan Cons. Confid. Apr 11 prev 107.7 (9:30am)

AU NAB Business Survey Mar (11:30am)

Business Conditions prev 15

Business Confidence prev 16

AU Weekly Payroll Jobs & Wages Mar 27 (11:30am)

CH Trade Balance Mar exp US\$51.5bn prev US\$71.2bn (TBC)

UK Industrial Production Feb exp 0.5% prev -1.5% (4pm)

UK Trade Balance Feb exp -£2.4bn prev -£2.6bn (4pm)

EZ ZEW Survey Expectations Apr prev 74.0 (7pm)

US CPI Mar exp 0.5% prev 0.4% (10:30pm)

Times are AEST. All data forecasts are m/m or q/q and seasonally adjusted unless otherwise specified. Forecasts for Australian data are our forecasts and for other countries they are consensus forecasts.

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