

Morning Report

Monday, 26 April 2021

Equities (close & % change)			Sydney Futures Exchange (close & change)					Interest rates (close & change)			
S&P/ASX 200	7,061	0.1%			Last	Overnight Chg		Australia			
US Dow Jones	34,043	0.7%	10 yr bond		98.32	0.00		90 day BBSW	0.04	0.00	
Japan Nikkei	29,021	-0.6%	3 yr bond		99.72	0.00		2 year bond	0.08	0.00	
China Shanghai	3,641	0.3%	3 mth bill rate		99.95	0.00		3 year bond	0.33	0.00	
German DAX	15,280	-0.3%	SPI 200		7,040.0	18		3 year swap	0.32	-0.01	
UK FTSE100	6,939	0.0%	FX Last 24 hrs		Open	High	Low	Current	10 year bond	1.73	-0.01
Commodities (close & change)*			TWI		64.3	-	-	64.2	United States		
CRB Index	196.1	1.4	AUD/USD		0.7707	0.7760	0.7700	0.7743	3-month T Bill	0.02	0.00
Gold	1,777.20	-6.7	AUD/JPY		83.21	83.75	83.10	83.53	2 year bond	0.16	0.01
Copper	9,563.50	152.3	AUD/GBP		0.5569	0.5591	0.5565	0.5584	10 year bond	1.56	0.02
Oil (WTI)	61.98	-0.2	AUD/NZD		1.0762	1.0784	1.0758	1.0767	Other (10 year yields)		
Coal (thermal)	85.50	-2.1	AUD/EUR		0.6413	0.6434	0.6392	0.6405	Germany	-0.26	-0.01
Coal (coking)	112.83	-1.7	AUD/CNH		5.0063	5.0350	5.0019	5.0252	Japan	0.07	0.00
Iron Ore	181.06	2.1	USD Index		91.3	91.3	90.8	90.9	UK	0.74	0.00

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: A batch of strong US economic data set the tone for financial markets on Friday.

Share Markets: US share markets recovered on Friday after Thursday's sell off, which was led by concerns over a proposed lift in capital gains taxes. The Dow rose 228 points (or +0.7%), the S&P 500 index lifted 45 points (or +1.1%) and the Nasdaq rose 198 points (or +1.4%).

Interest Rates: Strong US economic data and the lift in demand for shares drove global bond yields higher. The US 2-year rose 1 basis point and the 10-year bond yields rose 2 basis points.

Foreign Exchange: The Australian dollar appreciated moderately against the US dollar in Friday night's trading sessions. However, the AUD/USD remained stuck in a trading range it has been in since April 15.

Commodities: Copper is set to extend its rally to near a record as a global economic recovery and plans to curb carbon emissions boost demand for the metal critical to the green-energy transition, according to China's top smelter.

COVID-19: India continues to be ravaged by rising COVID-19 cases and the situation in India is posing downside risks to the world growth outlook.

Australia: There was no major economic data on Friday in Australia.

United States: The flow of strong economic data continued Friday. New home sales jumped 20.7% in

March to a 14½-year high. The result was well above median consensus expectations. In year-on-year terms, new home sales are up a staggering 66.8%. Low interest rates and a low inventory of housing for sale are propelling prices higher.

US factory activity data powered ahead in early April. The flash US manufacturing purchasing managers' index (PMI) rose to 60.6 in April – the highest reading since the series started in May 2007 and followed 59.7 in March. But there is evidence that manufacturers are finding it harder to source raw materials and other inputs. The prices paid sub index jumped to its highest level since July 2008.

Today's key data and events:

US Durable Goods Orders Mar exp 2.5% prev -1.2% (10:30pm)

US Dallas Fed Mfg Index Apr exp 30.0 prev 28.9 (12:30am)

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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