

Monday, 15 November 2021

Equities (close & % change)			Sydney Futures Exchange (close & change)					Interest rates (close & change)		
S&P/ASX 200	7,443	0.8%			Last	Overnight Chg		Australia		
US Dow Jones	36,100	0.5%	10 yr bond	98.19		0.00	90 day BBSW	0.04	0.00	
Japan Nikkei	29,610	1.1%	3 yr bond	98.82		0.03	2 year bond	0.72	0.01	
China Shanghai	3,709	0.2%	3 mth bill rate	99.94		0.00	3 year bond	1.03	0.02	
German DAX	16,094	0.1%	SPI 200	7,435.0		-3	3 year swap	1.31	-0.01	
UK FTSE100	7,348	-0.5%	FX Last 24 hrs	Open	High	Low	Current	10 year bond	1.80	-0.02
Commodities (close & change)*			TWI	61.4	-	-	61.3	United States		
CRB Index	237.1	-0.4	AUD/USD	0.7290	0.7335	0.7277	0.7324	3-month T Bill	0.04	-0.01
Gold	1,864.90	2.8	AUD/JPY	83.16	83.56	83.11	83.44	2 year bond	0.51	0.00
Copper	9,841.00	32.5	AUD/GBP	0.5456	0.5469	0.5443	0.5458	10 year bond	1.56	0.01
Oil (WTI)	80.79	-0.8	AUD/NZD	1.0384	1.0425	1.0379	1.0405	Other (10 year yields)		
Coal (thermal)	141.25	-2.8	AUD/EUR	0.6369	0.6410	0.6362	0.6397	Germany	-0.26	-0.03
Coal (coking)	374.33	1.7	AUD/CNH	4.6598	4.6800	4.6484	4.6707	Japan	0.08	0.01
Iron Ore	88.65	0.3	USD Index	95.2	95.3	95.0	95.1	UK	0.91	-0.01

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

Main Themes: Positive risk sentiment contributed to a rise in US equities, despite lingering concerns regarding inflationary pressures. The AUD strengthened from a one-month low in line with the improvement in risk sentiment. US bond yields rose slightly.

Share Markets: US equities rose for a second straight day. This followed falls earlier in the week after a stronger-than-expected inflation outcome. The S&P 500 was 0.7% higher and the Nasdaq was up 1.0%. The ASX 200 rose 0.8%.

Interest Rates: Longer-term US interest rates were slightly higher. The US 10-year treasury yield rose 1 basis point to 1.56%. The 2-year treasury yield was broadly unchanged at 0.51%.

The Australian 10-year government bond yield (futures) fell from 1.84% to 1.79%. The 3-year government bond yield (futures) fell from 1.23% to 1.16%.

Foreign Exchange: The US dollar weakened against a basket of major currencies. The USD Index fell from a high of 95.3 to a low of 95.0.

The AUD/USD pair was the outperformer on the day. The pair rose from a one-month low of 0.7277 to a high of 0.7335. It is trading around 0.7324 at the time of writing.

Commodities: Oil fell but remains above \$80. Gold and copper advanced, while iron ore was broadly

unchanged.

Australia: There were no major economic releases in Australia on Friday.

Eurozone: Supply-chain disruptions continue to impact manufacturing activity, as industrial production fell 0.2% in September. However, the outcome was above consensus expectations of a 0.5% fall and was an improvement from a revised 1.7% fall in August.

New Zealand: The BusinessNZ performance of manufacturing index rose to 54.3 in October, from a revised 51.6 in September. All five sub-indexes are now in expansionary territory, being a reading above 50, for the first time since July.

United States: Consumer sentiment plunged to a 10-year low. The University of Michigan Consumer Sentiment survey fell to 66.8 in November, from 71.7 in October. The outcome was significantly lower than consensus expectations of 72.5. Current conditions and expectations both fell.

Inflation concerns were front of mind for consumers, as expectations for inflation one year from now rose from 4.8% to 4.9%, the highest level since 2008. In addition to concerns around inflation, there was a growing belief that no effective policies have been developed to address the problem.

Job openings fell to 10.4 million in September, down from a revised 10.6 million in August, as reported by the Job Openings and Labor Turnover

Survey (JOLTS). While down from the August outcome, job openings remain strong and were above consensus expectations of 10.3 million.

The number of people quitting their jobs rose to a record high of 4.4 million in September, leading to an increase in the quit rate to 3.0%. The number of people quitting their jobs is at a record high across the leisure and hospitality, manufacturing, and health care sectors. This suggests that churn in the labour market remains persistent while vacancies are at near record levels.

Today's key data and events:

NZ Net Migration Sep prev 353 (8:45am)
JN GDP Q3 Prel. exp -0.2% prev 0.5% (10:50am)
CH Retail Sales Oct y/y exp 3.8% prev 4.4% (1pm)
CH Industrial Prod'n Oct y/y exp 3.0% prev 3.1% (1pm)
EZ Trade Balance Sep prev €11.1b (9pm)
US NY Empire Manufacturing Nov exp 20.1 prev 19.8
(12:30am)

Times are AEDT. 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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The Detail

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