

Tuesday, 27 April 2021

Equities (close & % change)			Sydney Futures Exchange (close & change)					Interest rates (close & change)		
S&P/ASX 200	7,046	-0.2%	Last		Overnight Chg			Australia		
US Dow Jones	33,982	-0.2%	10 yr bond	98.31	0.02			90 day BBSW	0.04	0.00
Japan Nikkei	29,126	0.4%	3 yr bond	99.71	0.00			2 year bond	0.08	0.00
China Shanghai	3,607	-1.0%	3 mth bill rate	99.95	0.00			3 year bond	0.33	-0.01
German DAX	15,296	0.1%	SPI 200	7,026.0	6			3 year swap	0.33	0.00
UK FTSE100	6,963	0.4%	FX Last 24 hrs	Open	High	Low	Current	10 year bond	1.74	-0.01
Commodities (close & change)*			TWI	64.3	-	-	64.4	United States		
CRB Index	198.1	2.1	AUD/USD	0.7707	0.7815	0.7737	0.7799	3-month T Bill	0.01	-0.01
Gold	1,781.38	4.2	AUD/JPY	83.21	84.50	83.50	84.35	2 year bond	0.17	0.01
Copper	9,761.00	197.5	AUD/GBP	0.5569	0.5624	0.5574	0.5611	10 year bond	1.57	0.01
Oil (WTI)	61.99	0.1	AUD/NZD	1.0762	1.0802	1.0758	1.0785	Other (10 year yields)		
Coal (thermal)	85.25	-0.3	AUD/EUR	0.6413	0.6468	0.6392	0.6453	Germany	-0.25	0.00
Coal (coking)	113.00	0.2	AUD/CNH	5.0063	5.0603	5.0207	5.0496	Japan	0.08	0.01
Iron Ore	187.53	6.5	USD Index	91.3	91.0	90.7	90.8	UK	0.76	0.01

Data as at 8:30am. Change from previous trading day (excluding the SFE which is the change during the night session). Source: Bloomberg.

Main Themes: The US Federal Reserve meeting later this week is looming large. The US S&P 500 index struck another record high on expectations that the Fed statement will suggest accommodative policy will remain intact. Commodity prices ramped up, especially iron ore prices.

Share Markets: The US S&P 500 index continued its upward trajectory, hitting another all-time high on solid earnings and expectations the Fed this week will maintain its accommodative mantra. The Nasdaq added 192 points (or +0.9%). But the Dow lost some ground, falling 62 points (or -0.2%).

Interest Rates: US bond yields inched slightly higher across the yield curve overnight. The US 2-year and 10-year bond yield each lifted by 1 basis point.

Foreign Exchange: The US dollar succumbed to further selling overnight and demand for the Australian dollar was propelled higher by the lift in iron ore prices. The AUD/USD probed above 0.7800 to reach an overnight high of 0.7813, which is near its highest level since March 18 when it struck 0.7849. Since hitting a low of 0.7532 on April 1, the AUD/USD has strengthened.

Commodities: Copper climbed to the highest in almost a decade after iron ore set a record in Singapore on the global recovery from the pandemic. Iron ore reached a high of nearly US\$190 a tonne during intraday trade. All other base metals rose.

OPEC's technical panel raised its demand forecast for 2021 to 6 million barrels a day. Most of world's glut is expected to be gone by the end of this quarter. OPEC's ministers meet this week to decide whether to implement plans to boost output.

Australia: There was no major economic data released yesterday.

United States: New orders for durable goods increased 0.5% in March, after a fall of 0.9% in February. Orders have increased 10 out of the last eleven months. Low business and retail inventories have led to increased demand for manufacturers for much of the past year. But supply-chain issues continue to constrain production and delay some shipments.

New orders for non-defence capital goods excluding aircraft — so-called core capital-goods orders, a closely watched proxy for business investment — rose 0.9% in March from the previous month. That was up from a 0.8% decline the previous month.

The economic activity in Texas' manufacturing sector expanded at a robust pace in April. The General Business Activity Index of the Dallas Fed's Manufacturing Outlook Survey rising to 37.3 from 28.9 in March. This reading beat the market expectation of 23.4 by a wide margin.

Today's key data and events:

AU Roy Morgan Cons. Confid. Apr 25 prev 114.0 (9:30am)

CH Industrial Profits Mar y/y prev 20.1% (11:30am)

JN Bank of Japan Policy Meeting (~)

US FHFA House Price Index Feb exp 1.0% prev 1.0% (11pm)

US CoreLogic CS 20-City Home Prices Feb exp 1.1% prev 1.2% (11pm)

US CB Cons. Confid. Apr exp 113.0 prev 109.7 (12am)

US Richmond Fed Mfg Index Apr exp 22 prev 17 (12am)

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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The Detail

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