

Morning Report

Monday, 20 November 2023

| Equities (close & % change) | | | Sydney Futures Exchange (last & change) | | | | | Interest rates (close & change) | | |
|------------------------------|----------|-------|---|---------|-------------|----------------------|---------|---------------------------------|------|-------|
| S&P/ASX 200 | 7,049 | -0.1% | | | Last | Overnight Chg | | Australia | | |
| US Dow Jones | 34,947 | 0.0% | 10 yr bond | 4.48 | 0.01 | | | 90 day BBSW | 4.38 | -0.01 |
| Japan Nikkei | 33,585 | 0.5% | 3 yr bond | 4.09 | 0.00 | | | 2 year bond | 4.15 | -0.08 |
| China Shanghai | 3,202 | 0.1% | 3 mth bill rate | 4.39 | 0.01 | | | 3 year bond | 4.09 | -0.09 |
| German DAX | 15,919 | 0.8% | SPI 200 | 7,104.0 | 28 | | | 3 year swap | 4.31 | 0.00 |
| UK FTSE100 | 7,504 | 1.3% | FX Last 24 hrs | Open | High | Low | Current | 10 year bond | 4.47 | -0.09 |
| Commodities (close & change) | | | TWI | 60.8 | - | - | 60.8 | United States | | |
| CRB Index | 273.6 | 2.3 | AUD/USD | 0.6466 | 0.6520 | 0.6453 | 0.6509 | 3-month T Bill | 5.23 | -0.01 |
| Gold | 1,980.82 | -0.1 | AUD/JPY | 97.47 | 97.58 | 96.93 | 97.48 | 2 year bond | 4.89 | 0.05 |
| Copper | 8,212.25 | 45.8 | AUD/GBP | 0.5211 | 0.5239 | 0.5203 | 0.5226 | 10 year bond | 4.44 | 0.00 |
| Oil (WTI futures) | 75.89 | 3.0 | AUD/NZD | 1.0838 | 1.0896 | 1.0822 | 1.0866 | Other (10 year yields) | | |
| Coal (thermal) | 127.60 | -0.6 | AUD/EUR | 0.5962 | 0.5992 | 0.5953 | 0.5964 | Germany | 2.59 | 0.00 |
| Coal (coking) | 323.00 | -0.7 | AUD/CNH | 4.6861 | 4.7040 | 4.6813 | 4.7000 | Japan | 0.76 | -0.04 |
| Iron Ore | 129.15 | 0.6 | USD Index | 104.43 | 104.55 | 103.81 | 103.82 | UK | 4.10 | -0.05 |

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

Main Themes: US data releases on Friday, mostly minor, provided conviction to the idea that the US Federal Reserve is done hiking rates.

Share Markets: US share markets finished slightly higher on Friday. The S&P 500 and Nasdaq each just increased 0.1% whilst the Dow finished flat.

Interest Rates: The US yield curve flattened on Friday with the US 2-year bond yield rising 5 basis points to 4.89% at the close and the US 10-year yield unchanged on the session at 4.44%.

Foreign Exchange: The US dollar index sold off in European trade on Friday night and remained under selling pressures into New York. The AUD took its direction from the greenback, rising from its Friday overnight low of 0.6453 to a high of 0.6520. The AUD/USD remains within its recent trading ranges.

Commodities: Most commodity prices moved higher on Friday.

Australia: The Queensland government has doubled the first-home owner's grant to \$30,000 for new builds until the middle of 2025.

United States: The number of Americans filing new claims for unemployment benefits increased to a three-month high last week, suggesting that the labour market was gradually cooling in another boost to the Federal Reserve's fight against inflation. Initial claims for state unemployment benefits rose 13,000 to 231,000 for the week ended November 11, the highest since August. The

consensus forecast was for a result of 220,000. Claims are in the middle of their 194,000-265,000 range for this year.

The latest Philadelphia Fed manufacturing index rose to -5.9 this month, but remained in negative territory for the third straight month, indicating a continued decline overall. The index came in above the previous month's result of -9.0. In another Federal survey, the Kansas Fed manufacturing index fell from -8 in October to -2 in November.

Industrial production fell 0.6% in October, after a rise of 0.1% in September. The fall was bigger than consensus estimates. Capacity utilisation also scaled back in the month, from 79.5% to 78.9%.

The NAHB housing market index declined to 34 in November, from 40 in October.

Today's key data and events:

EZ Construction Output Sep prev -1.1% (9pm)

UK CBI Trends Nov (10pm)

US Leading Index Oct exp -0.7% prev -0.7% (2am)

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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