

# Morning Report

Tuesday, 30 May 2023



Equities (close & % change)			Sydney Futures Exchange (last & change)					Interest rates (close & change)		
S&P/ASX 200	7,217	0.9%			<b>Last</b>	<b>Overnight Chg</b>		<b>Australia</b>		
US Dow Jones	closed		10 yr bond	3.66	-0.04		90 day BBSW	3.95	0.01	
Japan Nikkei	31,234	1.0%	3 yr bond	3.39	-0.04		2 year bond	3.59	-0.01	
China Shanghai	3,377	0.3%	3 mth bill rate	3.97	0.00		3 year bond	3.44	-0.01	
German DAX	15,953	-0.2%	SPI 200	7,229.0	-8		3 year swap	3.74	-0.06	
UK FTSE100	closed		FX Last 24 hrs	Open	High	Low	Current	10 year bond	3.70	-0.03
Commodities (close & change)*			TWI	59.9	-	-	59.9	<b>United States</b>		
CRB Index	closed		AUD/USD	0.6522	0.6554	0.6521	0.6540	3-month T Bill	closed	
Gold	1,943.11	-3.4	AUD/JPY	91.74	92.01	91.60	91.83	2 year bond	closed	
Copper	closed		AUD/GBP	0.5281	0.5303	0.5281	0.5293	10 year bond	closed	
Oil (WTI futures)	73.04	0.4	AUD/NZD	1.0779	1.0804	1.0772	1.0803	<b>Other (10 year yields)</b>		
Coal (thermal)	140.65	0.0	AUD/EUR	0.6083	0.6109	0.6081	0.6107	Germany	2.43	-0.10
Coal (coking)	230.00	0.0	AUD/CNH	4.6104	4.6390	4.6104	4.6328	Japan	0.44	0.02
Iron Ore	102.40	-0.4	USD Index	104.24	104.31	104.04	104.29	UK	closed	

Data as at 6:30am AEST. Change is from the previous trading day (excluding the SFE, which is the change during the night session). Source: Bloomberg.

**Main Themes:** There were thin trading volumes with both the UK and US having a public holiday.

**Share Markets:** US equity futures posted modest gains amid cautious optimism the tentative debt-ceiling deal will avert a default that could otherwise come June 5.

**Interest Rates:** Futures linked to 10- to 30-year Treasuries also rallied on light volume. The probability attached to a rate hike next month from the US Federal Reserve with markets closed remained at 58%. In Australia, markets are attaching a chance of 4% to a rate hike next week from the Reserve Bank and around a 60% probability of a rate hike by August.

**Foreign Exchange:** AUD/USD stuck to a very tight range with the UK and US on holidays. AUD/USD stuck to 0.6535-0.6547, clear of its seven-month low last week of 0.6491.

**Commodities:** Oil futures rose in thin trading.

**Australia:** The Premier of Western Australia, Mark McGowan, announced yesterday he was resigning. He is stepping down at the end of this week, which will lead to a leadership spill. WA next goes to the poll in 20 months' time.

**United States:** The US has a national holiday, so there was no key data released.

A debt-accord hearing will be held Tuesday by the US House rules committee, a day before the whole

body votes on it. The White House and Republican congressional leaders stepped up lobbying campaigns for passage.

## Today's key data and events:

- NZ Bldg Permits Apr prev 7% (8:45am)
- JN Jobless Rate Apr exp 2.7% prev 2.8% (9:30am)
- AU Bldg Approvals Apr exp 2% prev -0.1% (11:30am)
- US FHFA House Price Idx Mar exp 0.2% prev 0.5% (11pm)
- US House Price Purchase Index Q1 prev 0.3% (11pm)
- US S&P CoreLogic Mar 0.00% prev 0.06% (11pm)
- US Conf Board Cons Confid May exp 99 prev 101.3 (12am)
- US Dallas Fed Mfg Index May exp -18 prev -23.4 (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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