

Distillate thrust

Oil prices remain the main driver for markets and as it has been the case this week the assessment of good news continue to prevail over bad ones. Oil prices took another leg higher last night following a US Energy Information Administration report that showed a sharp decline in US distillate stockpiles. WTI and Brent oil made new 5 months high, jumping 3.8% and 3.4% respectively, notwithstanding news that crude stockpiles rose and that the Kuwaiti strike had ended. News of another oil producers meeting in May also hit the wires, but is hard to believe this news had a meaningful impact on the overnight price action.

Europe and US equity markets ended the day in positive territory with energy and financial stocks leading the way. That said not all sectors benefited from the oil induced improvement in sentiment. Coca cola shares were one of the notable losers, dropping 4.8% after it announced a decline in revenue and profits in Q1.

The risk on sentiment pushed core global yields higher with the move further boosted by better than expected US housing data. March existing home sales rose to 5.33M from 5.07M in Feb, confirming a rebound to trend after February's drop. 10y Bund ended the day +1.5bps at 0.152% and relative to Sydney closing levels 10y US treasury yield jumped 8.5bps to 1.843% while the 2y climbed 5bps to 0.798%.

In currencies the USD is stronger across the board barring the oil linked CAD and NOK. The strength in the USD has not only been aided by the jump in US yields, EUR and JPY weakness have also played a hand. The EUR was weighted down by position squaring ahead the ECB meeting today while the Yen appears to have been helped by the improvement in risk sentiment and the anticipation of further easing by the BoJ next week. Despite the fact that commodities had a good night with Iron ore in particular gaining 3.8% (closing at \$64.8), the strength of the USD was too much for the AUD, down 0.28% to be currently at 0.7794. Interestingly, the decline in the AUD during the overnight session occurred at the same time the VIX climbed back above 13, after making a new 8 month low of 12.5. The GBP was down 0.45% notwithstanding latest poll on the forthcoming referendum nudging in the direction of the UK remaining in the EU. The Mori phone poll (a more reliable methodology than online polls) puts Remain at 49% and Leave on 39%. Momentum for the "Remain" camp could well increase following the UK Treasury's in-depth report

outlining the consequences of leaving the EU would be for the UK economy.

Coming Up

It's another quiet day in Australia with the quarterly NAB Business survey the only notable data release. The survey is similar to the monthly business survey, but it has a larger sample size and it contains more forward looking questions on topics such as expected capital expenditure and employment. On this score it will be interesting to see if the pickup in non-mining capital expenditure noted in the previous quarter continued in Q1. From the RBA's perspective, this is particularly relevant given that the lack of non-mining investment remains the missing ingredient in the changeover to non-mining led growth.

New Zealand has a busy day with job ads (Mar), consumer confidence (Apr), Net migration (Mar) and credit card spending (Mar) all scheduled for release. With regards to consumer confidence, our BNZ colleagues note that there are still sizable negative and positive factors tugging on the heart strings of consumers at the moment (farmers versus home owners). A print similar to the 118 level in March should be deemed as a good outcome.

In Europe is all about the ECB meeting today, however, in contrast to last month, this time no changes are expected. Following last month's announcements of: cut in rates, increase in monthly asset purchases, inclusion of corporate bonds in the bond buying programme and a new series of targeted longer-term refinancing operations (TLTROs), the task now for the ECB lies more along the lines of promoting the effectiveness of these new expansionary policies and assertion that the Bank can do more if needed. Recall too that the corporate bond buying programme and the TLTRO have not yet been implemented. For now all we know is that the corporate bonds will be included "towards the end of the second quarter" and the new TLTRO won't start before June. Lastly, we would note that recent data releases suggest a steady recovery is emerging, industrial production in Germany for instance and household consumption in France have surprised on the upside, suggesting the ECB can afford to sit on its hands and see if this recovery continues to evolve.

The UK releases its retail sales figures for March (-0.3% exp vs -0.2% prev) and on the other side of the Atlantic we get the Chicago Fed business activity index (Mar), Philly Fed business outlook (Apr), jobless claims and the index of leading indicators. Jobless claims data is very volatile in

March, but the expectation is for claims to rebound to 270k from last week 42 year low of 253k. The Philly Fed is expected to fall to 9 in April (12.9 prev), but the two straight jump in the Empire State index suggest the risk is for an upside surprise.

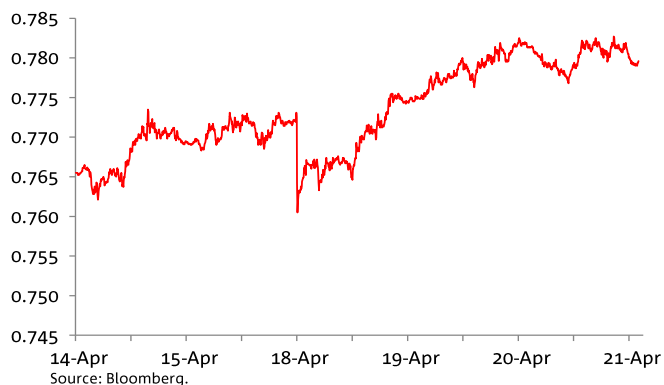
Overnight

On global stock markets, the S&P 500 was +0.10%. Bond markets saw US 10-years +5.99bp to 1.85%. On commodity markets, Brent crude oil +3.47% to \$45.56, gold+0.0% to \$1,253, iron ore +3.1% to \$64.77. AUD is at 0.7796 and the range was 0.7794 to 0.7797.

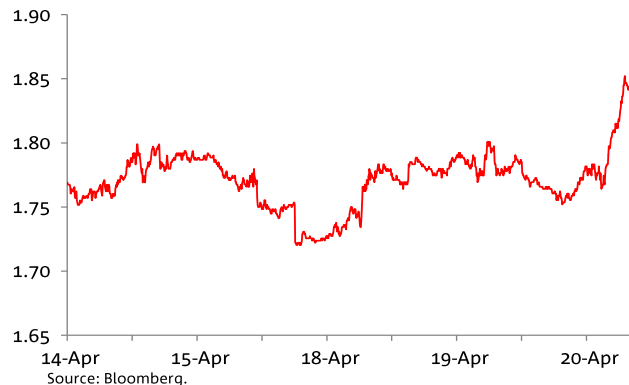
Good luck,

Rodrigo

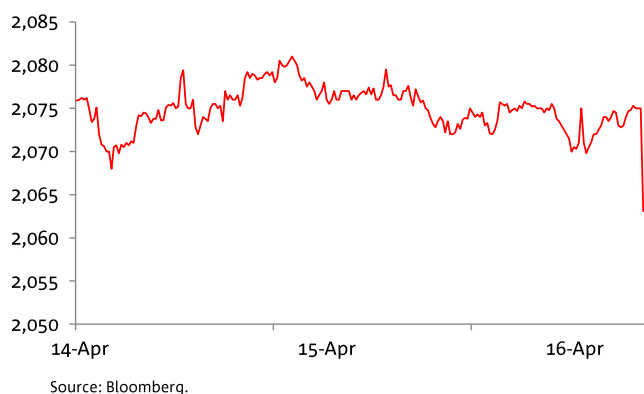
AUD/USD - past week



US 10 yr - past week



S&P Futures - past week



WTI - past week



Foreign Exchange

	Indicative 24hr ranges (**)				Other FX	
	Last	% chge	Low	High	Last	% chge
AUD	0.7796	0.0	0.7794	0.7797	HKD	7.7554 0.0
NZD	0.6977	0.0	0.6975	0.6978	CNY	6.4684 0.1
EUR	1.1299	0.0	1.1296	1.1300	SGD	1.3445 0.0
GBP	1.4335	0.0	1.4332	1.4337	IDR	13,144 0.1
JPY	109.83	0.0	109.8000	109.8500	THB	34.88 0.0
CAD	1.2654	0.0	1.2650	1.2657	KRW	1,135 -0.1
AUD/EUR	0.6900	0.0			TWD	32.24 0.1
AUD/JPY	85.60	0.0			PHP	46.16 0.0
AUD/GBP	0.5438	0.0			CHF	0.97 0.0
AUD/NZD	1.1175	0.1			SEK	8.12 -0.1
AUD/CNY	5.0612	0.3				

Interest Rates

	Indicative Swap Rates				Benchmark 10 Year Bonds		
	Cash	3mth	2Yr	10Yr	Last	chge	Sprd
USD	0.50	0.63	0.94	1.72	USD 10	1.85	0.06
AUD	2.00	2.28	2.21	2.72	AUD 10	2.53	-0.03 0.68
NZD	2.25	2.34	2.26	2.97	NZD 10	2.87	0.03 1.02
EUR	0.00	0.06	-0.15	0.55	CAD 10	1.34	0.01 -0.51
GBP	0.50	0.59	0.84	1.47	EUR 10	0.15	-0.02 -1.69
JPY	-0.07	-0.02	-0.14	0.10	GBP 10	1.48	-0.03 -0.36
CAD	0.50	1.17	0.95	1.58	JPY 10	-0.13	-0.01 -1.98

Equities

Major Indices			
	Last	% day	% y/y
Dow	18,096	+0.2	0.3
S&P 500	2,102	+0.1	0.1
Nasdaq	4,948	+0.2	-0.9
VIX	13	+0.3	-0.2
FTSE	6,410	+0.1	-9.1
DAX	10,421	+0.7	-12.4
CAC 40	4,592	+0.1	-11.5
Nikkei	16,907	+0.2	-15.1
Shanghai	2,973	-2.3	-30.8
Hang Seng	21,236	-0.9	-23.7
ASX 200	5,216	+0.5	-11.2

Commodities*

	Last	% day
Oil (Brent)	45.56	3.5
Oil (WTI)	43.97	3.5
Oil (Tapis)	44.06	-0.1
Gold	1253.20	0.0
CRB	181.44	2.0
GS Metals	271.3	1.2
Aluminium	1620	2.1
Copper	4991	0.9
Nickel	9301	0.6
Zinc	1932	0.1
Ch. steel	2694	5.2
Iron ore	64.8	3.1
Coal	50.6	0.0
Wheat Chic.	512.3	3.6
Sugar	15.57	2.6
Cotton	63.80	1.8
Coffee	128.7	0.6

* clsd = market holiday

CO ₂ Emissions - Euros			
	Last	% day	
Jun-2016	5.54	-0.4	
Dec-2016	5.55	-0.4	
Jun-2017	5.58	-0.4	

Overnight Futures

	Last	Chge
Australia		
3 mth bill	97.76	-0.01
3 Yr bond	98	-0.05
10 Yr bond	97.42	-0.02
3/10 sprd	0.58	-0.03
SPI	36.0	0.7

Please note the high/low FX rates are only an indication. Please refer to your National Dealer for confirmation.

* All near futures contracts, except CRB. GS Metals is Goldman Sachs industrial metals index. Metals prices are CME. Emissions: ICE Dec contracts, Euros

** These are indicative ranges over the past 24 hours; please confirm rates with your NAB dealer

Last is around 6:30am Sydney

Source: Bloomberg

Calendar

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEST
Wednesday, 20 April 2016								
JN	Trade Balance/Adjusted	Mar		834.55/450		242.8/166.1	23.50	9.50
AU	Westpac Leading Index MoM	Mar				-0.2	0.30	10.30
AU	Skilled Vacancies MoM	Mar				-0.9	1.00	11.00
JN	Machine Tool Orders YoY	Mar F				-21.2	6.00	16.00
UK	Jobless Claims Change	Mar		-10		-18.0	8.30	18.30
UK	Average Weekly Earnings 3M/YoY	Feb		2.3		2.1	8.30	18.30
UK	ILO Unemployment Rate 3Mths	Feb		5.1		5.1	8.30	18.30
US	MBA Mortgage Applications	Apr 15				10.0	11.00	21.00
CA	Wholesale Trade Sales MoM	Feb		-0.4		0.0	12.30	22.30
CH	Conference Board Leading Economic Index	Mar					13.00	23.00
US	Existing Home Sales/MoM	Mar		5.28/3.98		5.1/-7.1	14.00	0.00
Thursday, 21 April 2016								
NZ	ANZ Job Advertisements MoM	Mar				0.9	22.00	8.00
NZ	Net Migration SA	Mar				6070.0	22.45	8.45
NZ	ANZ Consumer Confidence Index/MoM	Apr				118.0/-1.4	1.00	11.00
AU	NAB Business Confidence	1Q				4.4	1.30	11.30
AU	RBA FX Transactions Market	Mar				476.0	1.30	11.30
NZ	Credit Card Spending MoM/YoY	Mar				-0.4/7.3	3.00	13.00
JN	Supermarket Sales YoY	Mar				3.4	5.00	15.00
UK	Retail Sales Ex Auto Fuel MoM/YoY	Mar		-0.3/3.8		-0.2/4.1	8.30	18.30
UK	Public Finances (PSNCR)	Mar				0.1	8.30	18.30
EC	Govt Debt/GDP Ratio	2015					9.00	19.00
EC	ECB Main Refinancing Rate	Apr 21		0		0.0	11.45	21.45
EC	ECB Deposit Facility Rate	Apr 21		-0.4		-0.4	11.45	21.45
EC	ECB Marginal Lending Facility	Apr 21		0.25		0.3	11.45	21.45
US	Chicago Fed Nat Activity Index	Mar		-0.15		-0.3	12.30	22.30
US	Initial Jobless Claims	Apr 16		265		253.0	12.30	22.30
US	Philadelphia Fed Business Outlook	Apr		9		12.4	12.30	22.30
US	FHFA House Price Index MoM	Feb		0.4		0.5	13.00	23.00
EC	Consumer Confidence	Apr A		-9.3		-9.7	14.00	0.00
US	Leading Index	Mar		0.4		0.1	14.00	0.00
Friday, 22 April 2016								
CH	MNI Business Indicator	Apr				49.9	1.45	11.45
JN	Nikkei Japan PMI Mfg	Apr P		49.5		49.1	2.00	12.00
JN	Tertiary Industry Index MoM	Feb		-0.5		1.5	4.30	14.30
GE	Markit/BME Germany Manufacturing/Services PMI	Apr P		51/55.1		50.7/55.1	7.30	17.30
EC	ECB Survey of Professional Forecasters						8.00	18.00
EC	Markit Eurozone Manufacturing/Services PMI	Apr P		51.9/53.3		51.6/53.1	8.00	18.00
EC	Euro Area Fourth Quarter Government Deficit/Debt	Q4					9.00	19.00
CA	Retail Sales/ex autos MoM	Feb		-0.8/-0.7		2.1/1.2	12.30	22.30
CA	CPI NSA MoM/YoY	Mar		0.5/1.2		0.2/1.4	12.30	22.30
CA	CPI Core MoM/YoY	Mar		0.4/1.7		0.5/1.9	12.30	22.30
US	Markit US Manufacturing PMI	Apr P		52		51.5	13.45	23.45
Monday, 25 April 2016								
JN	PPI Services YoY	Mar				0.2	23.50	9.50
JN	Leading Index CI	Feb F				99.8	5.00	15.00
JN	Coincident Index	Feb F				110.3	5.00	15.00
GE	IFO Business Climate/Current Assessment	Apr		/		106.7/113.8	8.00	18.00
UK	CBI Trends Total Orders/Selling prices	Apr				-14.0/-1.0	10.00	20.00
UK	CBI Business Optimism	Apr				-4.0	10.00	20.00
EC	ECB's Constancio, Coeure, Nouy at Conference in Frankfurt							
CA	Bloomberg Nanos Confidence	Apr 22				55.9	14.00	0.00
US	New Home Sales/MoM	Mar		522/2		512.0/2.0	14.00	0.00
US	Dallas Fed Manf. Activity	Apr		-9.5		-13.6	14.30	0.30
Tuesday, 26 April 2016								
US	Durable Goods Orders/Core orders	Mar P		1.7/0.5		-3.0/-2.5	12.30	22.30
US	Cap Goods Orders Nondef Ex Air	Mar P		0.5		-2.5	12.30	22.30
US	S&P/Case-Shiller US HPI MoM/YoY	Feb		/		0.5/5.8	13.00	23.00
US	Markit US Services/Composite PMI	Apr P		/		51.3/51.3	13.45	23.45
US	Consumer Confidence Index	Apr		96		96.2	14.00	0.00
US	Richmond Fed Manufact. Index	Apr		11		22.0	14.00	0.00
Wednesday, 27 April 2016								
NZ	Trade Balance	Mar				339.0	22.45	8.45
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Apr 17				112.0	23.30	9.30
CH	Industrial Profits YoY	Mar				-4.7	1.30	11.30
AU	CPI QoQ/YoY	1Q		/		0.4/1.7	1.30	11.30
AU	CPI Weighted Median QoQ/YoY	1Q		/		0.5/1.9	1.30	11.30
AU	CPI Trimmed Mean QoQ/YoY	1Q		/		0.6/2.1	1.30	11.30
CH	Westpac-MNI Consumer Sentiment	Apr				118.1	1.45	11.45
JN	All Industry Activity Index MoM	Feb				2.0	4.30	14.30
GE	GfK Consumer Confidence	May				9.4	6.00	16.00
EC	M3 Money Supply YoY	Mar				5.0	8.00	18.00
UK	GDP QoQ/YoY	1Q A		/		0.6/2.1	8.30	18.30
UK	Index of Services MoM/YoY	Feb		/		0.2/0.9	8.30	18.30
UK	CBI Retailing Reported Sales	Apr				7.0	10.00	20.00
UK	CBI Total Dist. Reported Sales	Apr				20.0	10.00	20.00
US	Advance Goods Trade Balance	Mar		-62.8		-62.9	12.30	22.30
US	Pending Home Sales MoM/YoY	Mar		0.1/		3.5/5.1	14.00	0.00
US	Pending Home Sales NSA YoY	Mar				5.1	14.00	0.00
US	FOMC Rate Decision (Lower/Upper Bound)	Apr 27		0.25/0.5		0.3/0.5	18.00	4.00
Upcoming Central Bank Interest Rate Announcements								
Europe ECB		21-Apr				0.00%		
New Zealand, RBNZ		28-Apr	2.00%	2.25%		2.25%		
Japan, BoJ		28-Apr				-0.1% to +0.1%		
US Federal Reserve		28-Apr				0.25-0.50%		
Australia, RBA		3-May	2.00%	2.00%		2.00%		
UK BOE		12-May				0.50%		
Canada, BoC		26-May				0.50%		

GMT: Greenwich Mean Time; AEST: Australian Eastern Standard Time

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