

When doves cry

The AUD has flown back down with the 77 handle this morning, pulled back somewhat by a dip in oil prices for once, WTI down \$0.59 to \$43.60 and Brent off \$0.91 to \$44.89, the Aussie's commodity cousins, the CAD, NOK, RUB and the NZD all lower this morning. The RUB was the underperformer, off over 2%, the others by 0.6-0.9%. US stocks edged lower and the VIX is up 0.59 to 13.85.

Elsewhere in the hard commodity space it's been mixed, base metals mostly higher, the LME index by 0.13%, copper by 0.32% while nickel fell 2.41%. Gold eased, by \$3.80 to \$1250.60. The standout performer though has continued to be iron ore, the spot price jumping a staggering \$5.69 to \$70.46, up 8.48%, up 20.9% so far this week and up 82.9% from its 10 December low. Chinese steel rebar futures though gave back 1.81% after its strong rally.

Other major currencies have moved little overnight in net terms, though the EUR has had a saw tooth pattern, rallying in the European session before pulling right back again as has the Pound.

The ECB came and went without any new 'stimulatory' measures announced and none was expected. Draghi's statement did initially reference that rates would remain 'at present levels or lower for an extended period' - catching the market's attention - but this was later qualified. Draghi also mentioned that loan dynamics were higher, initially lifting the EUR. What also has caught the news wires' attention was German criticism that negative rates don't work. And while he batted back some of this criticism (he said that the experience of negative yields had been broadly positive - i.e. credit and financial conditions remain easy) he said that there is no evidence that negative rate had been passed on, an implicit acknowledgment the ECB may have reached its lower bound. Draghi weighed into the Brexit debate a little saying that the uncertainty had already had some market impact.

As far as the Pound is concerned, UK retail sales had a big miss, sales in March down a further 1.3% after a 0.5% fall in February, that was also revised lower a tenth. This was followed inevitably by a degree of volatility in Sterling that sits at still among its highest levels for a fortnight at 1.432, still sensitive to more Brexit poll risk/rally.

Coming up

It's not a major event day in our time zone with Japan's Nikkei Manufacturing PMI a possible pick though without altering the course of the yen too much, if at all. It's expected to tick up to a less negative 49.5 from 49.1 in March. Japan's monthly tertiary industry index is also due. Having said that, with the BoJ meeting coming up next week, the market might be a little more sensitive to data, should it be materially different from expectations.

In Europe, there will be interest in the preliminary Eurozone PMIs for April with an ever so slight improvement tipped for both the Manufacturing and Service indexes.

Ahead of the FOMC next week, it's pretty quiet on the US calendar for data with the market more likely responsive to the on-going Q1 reporting season.

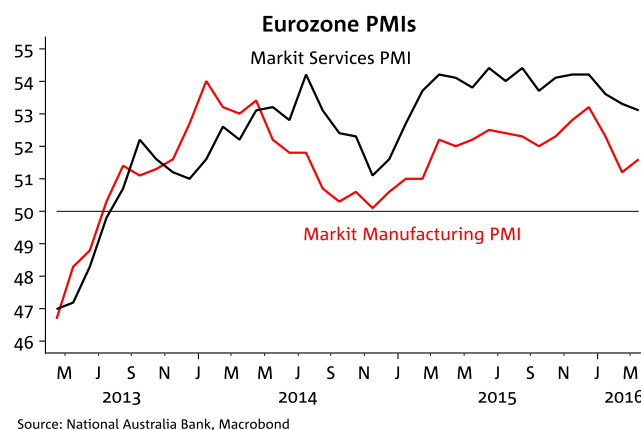
There will also be some focus on Canada with the release of their key CPI and retail sales reports for February, the market consensus tipping payback in sales, a decline of 0.8%, after the outsized 2.1% January rise. Annual growth in the headline and core rate of CPI is tipped to edge back by 0.2%, headline to 1.2% and core to 1.7%.

Finally, vale Prince Rogers Nelson, truly one of the music recording world's greats.

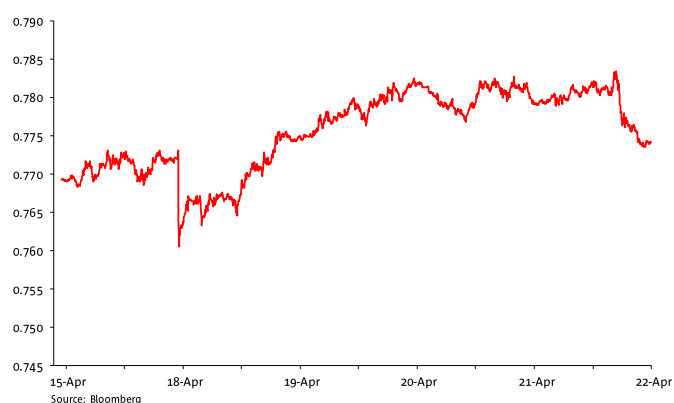
Overnight

On global stock markets, the S&P 500 was -0.50%. Bond markets saw US 10-years +1.96bp to 1.86%. On commodity markets, Brent crude oil -2.34% to \$44.73, gold -0.3% to \$1,251, iron ore +8.8% to \$70.46. AUD is at 0.7738 and the range was 0.7733 to 0.7835.

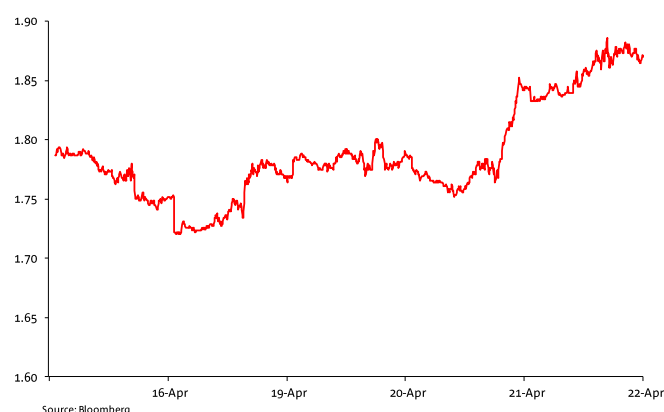
Chart of the day: Europe is actually growing



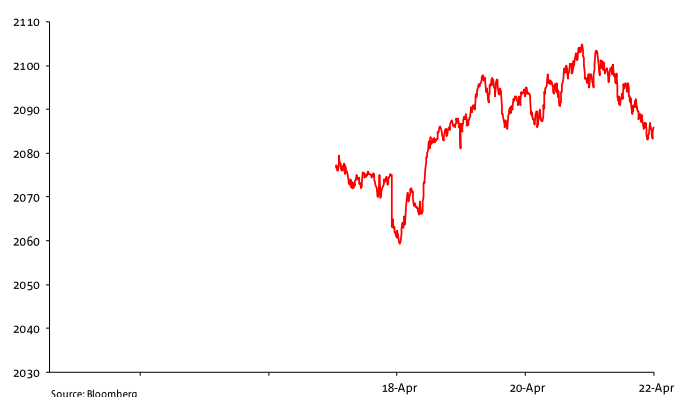
AUD/USD - past week



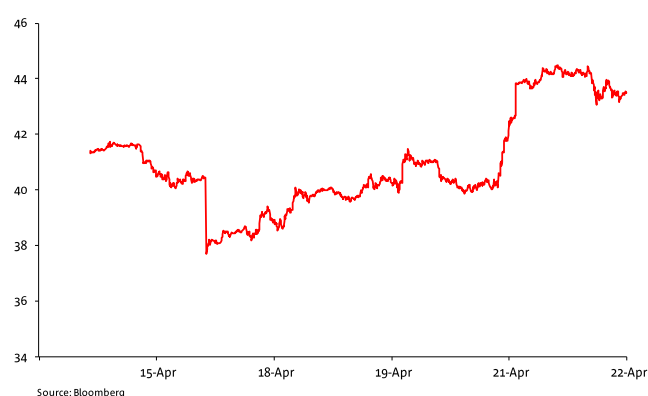
US 10 yr - past week



S&P Futures - past week



WTI - past week



Foreign Exchange

Indicative 24hr ranges (**)					Other FX	
	Last	% chge	Low	High	Last	% chge
AUD	0.7740	-0.7	0.7733	0.7835	HKD	7.7572 0.0
NZD	0.6913	-0.7	0.6900	0.6984	CNY	6.4830 0.1
EUR	1.1289	-0.2	1.1269	1.1400	SGD	1.3493 0.3
GBP	1.4327	-0.3	1.4314	1.4441	IDR	13,150 0.1
JPY	109.47	-0.3	109.32	109.82	THB	35.07 0.2
CAD	1.2729	0.6	1.2629	1.2750	KRW	1,141 0.7
AUD/EUR	0.6856	-0.7			TWD	32.31 0.1
AUD/JPY	84.73	-1.2			PHP	46.56 0.1
AUD/GBP	0.5402	-0.5			CHF	0.97 0.3
AUD/NZD	1.1196	-0.2			SEK	8.14 0.4

Interest Rates

Indicative Swap Rates					Benchmark 10 Year Bonds		
	Cash	3mth	2Yr	10Yr	Last	chge	Spd
USD	0.50	0.64	0.95	1.73	USD 10	1.87	0.02
AUD	2.00	2.28	2.18	2.75	AUD 10	2.59	0.07 0.72
NZD	2.25	2.31	2.24	2.98	NZD 10	2.86	0.03 0.99
EUR	0.00	0.06	-0.14	0.61	CAD 10	1.46	0.12 -0.41
GBP	0.50	0.59	0.86	1.55	EUR 10	0.24	0.09 -1.63
JPY	-0.07	-0.03	-0.14	0.11	GBP 10	1.59	0.11 -0.28
CAD	0.50	1.17	0.96	1.60	JPY 10	-0.11	0.02 -1.98

Equities

Major Indices

	Last	% day	% year
Dow	17,991	-0.6	0.2
S&P 500	2,092	-0.5	-0.3
Nasdaq	4,944	-0.1	-1.4
VIX Index	13.85	4.3	4.5
FTSE	6,381	-0.4	-9.6
DAX	10,436	0.1	-12.6
CAC 40	4,583	-0.2	-11.7
Nikkei	17,364	2.7	-13.8
Shanghai	2,953	-0.7	-32.9
Hang Seng	21,622	1.8	-22.6
ASX 200	5,273	1.1	-9.7

Overnight Futures

	Last	Chge
Australia		
3 mth bill	97.76	0.00
3 Yr bond	97.98	-0.02
10 Yr bond	97.38	-0.04
3/10 sprd	0.60	0.02
SPI	-22.0	-0.4

Commodities*

	Last	% day
Oil (Brent)	44.79	-2.2
Oil (WTI)	43.49	-1.6
Oil (Tapis)	46.39	5.3
Gold	1252.20	-0.2
CRB	179.88	-0.9
GS Metals	271.8	0.2
Aluminium	1635	0.8
Copper	4997	0.3
Nickel	9100	-2.4
Zinc	1916	-1.2
Ch. steel	2659	-1.8
Iron ore	70.46	8.8
St. coal	51.3	0.0
Wheat Chic	512.3	-1.7
Sugar	15.79	-0.1
Cotton	64.01	-0.1
Coffee	124.1	-3.6

CO₂ Emissions - Euros

	Last	% day
Dec-2016	5.75	3.6
Dec-2017	5.80	3.6
Dec-2018	5.85	3.5

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
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		-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		10		22.0	14.00	0.00
Wednesday, 27 April 2016								
NZ	Trade Balance	Mar		401		339.0	22.45	8.45
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Apr 24				115.8	23.30	9.30
CH	Industrial Profits YoY	Mar				-4.7	1.30	11.30
AU	CPI QoQ/YoY	1Q		0.2/1.7		0.4/1.7	1.30	11.30
AU	CPI Weighted Median QoQ/YoY	1Q		0.5/1.9		0.5/1.9	1.30	11.30
AU	CPI Trimmed Mean QoQ/YoY	1Q		0.5/2		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
UK	GDP QoQ/YoY	1Q A		0.4/2		0.6/2.1	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		-63.15		-62.9	12.30	22.30
US	Pending Home Sales MoM/YoY	Mar		0.1/		3.5/5.1	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
Thursday, 28 April 2016								
NZ	RBNZ Official Cash Rate	Apr 28		2.25		2.3	21.00	7.00
JN	Jobless Rate	Mar				3.3	23.30	9.30
JN	Overall Household Spending YoY	Mar				1.2	23.30	9.30
JN	Natl CPI/Ex fresh food, energy YoY	Mar		/		0.3/0.8	23.30	9.30
JN	Tokyo CPI/Ex fresh food, energy YoY	Apr		/		-0.1/0.6	23.30	9.30
JN	Retail Sales MoM/YoY	Mar		/		-2.3/0.5	23.50	9.50
JN	Industrial Production MoM/YoY	Mar P		/		-5.2/-1.2	23.50	9.50
AU	Export/Import price index QoQ	1Q		/		-5.4/-0.3	1.30	11.30
JN	BOJ Policy Rate	Apr 28				-0.1	4.35	14.35
GE	Unemployment Change (000's)	Apr				0.0	7.55	17.55
EC	Business Climate Indicator	Apr				0.1	9.00	19.00
GE	CPI MoM/YoY	Apr P		/		0.8/0.3	12.00	22.00
GE	CPI EU Harmonized MoM/YoY	Apr P		/		0.8/0.1	12.00	22.00
US	Initial Jobless Claims	Apr 16		265		253.0	12.30	22.30
US	GDP Annualized QoQ	1Q A		0.7		1.4	12.30	22.30
US	Bloomberg Consumer Comfort	Apr 17				43.6	13.45	23.45
US	Kansas City Fed Manf. Activity	Apr				-6.0	15.00	1.00
Friday, 29 April 2016								
NZ	Building Permits MoM	Mar				10.8	22.45	8.45
UK	Lloyds Business Barometer	Apr				43.0	23.10	9.10
UK	GfK Consumer Confidence	Apr		-1		0.0	23.50	9.50
NZ	ANZ Activity Outlook/Bus Confidence	Apr				29.4/3.2	1.00	11.00
AU	PPI QoQ/YoY	1Q				0.3/1.9	1.30	11.30
AU	Private Sector Credit MoM/YoY	Mar		0.55/		0.6/6.6	1.30	11.30
NZ	Money Supply M3 YoY	Mar				7.3	3.00	13.00
AU	RBA's Debelle Gives Speech						3.45	13.45
UK	Mortgage Approvals	Mar				73.9	8.30	18.30
EC	Unemployment Rate	Mar				10.3	9.00	19.00
EC	CPI Estimate/Core YoY	Apr		/		-0.1/1.0	9.00	19.00
EC	GDP SA QoQ/YoY	1Q A		/		0.3/1.6	9.00	19.00
US	Fed's Kaplan Speaks in London						10.30	20.30
US	Employment Cost Index	1Q		0.6		0.6	12.30	22.30
US	Personal Income/Spending	Mar		0.3/0.2		0.2/0.1	12.30	22.30
US	PCE Deflator MoM/YoY	Mar		0.1/		-0.1/1.0	12.30	22.30
US	PCE Core MoM/YoY	Mar		0.1/		0.1/1.7	12.30	22.30
CA	Industrial Product Price MoM	Mar				-1.1	12.30	22.30
CA	Raw Materials Price Index MoM	Mar				-2.6	12.30	22.30
CA	GDP MoM/YoY	Feb				0.6	12.30	22.30
US	ISM Milwaukee	Apr				57.8	13.00	23.00
US	Chicago Purchasing Manager	Apr		53.2		53.6	13.45	23.45
US	U. of Mich. Sentiment	Apr F		90.2		89.7	14.00	0.00
US	U. of Mich. 5-10 Yr Inflation	Apr F				2.5	14.00	0.00
Saturday, 30 April 2016								
Sunday, 1 May 2016								
CH	Manufacturing PMI	Apr		50.2		50.2	1.00	11.00
CH	Non-manufacturing PMI	Apr				53.8	1.00	11.00
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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