

Thursday

Markets being what they are, last Thursday's tragic news of the slaying of UK MP Jo Cox, campaigning on behalf of the 'remain' side in front of Thursday's EU referendum, elicited a strong positive response in all things Sterling, as well as supporting risk sentiment more broadly. This was on the view that the tragedy could have a material influence in swaying opinion amongst UK voters back in favour of staying in the EU.

This snap judgment by markets received some validation in a ComRes poll for the Sunday Mirror published on Saturday night, and which was being conducted at precisely the time news of Jo Cox's murder hit the news headlines. Before the news, 45% of those polled said they would be 'delighted' if the UK voted to leave the EU. This dropped to 38% of respondents polled after the news, while the Remain camp got a nine point boost from those saying they would be 'delighted' if Britain stayed. The poll findings will resonate today, likely seeing further advances for Sterling, some renewed weakening in the JPY and a firmer AUD.

Offshore markets ended the week quietly, US stocks meandering below Thursday's strong closes led by weakness in health care and tech. sector stocks, bond yields recouping a little of their mid-week decline (10yr Bund yields back positive) and the US dollar edging down (helping oil higher and with that NOK and CAD). Dollar weakness was led by further gains for Sterling. Betfair referendum probabilities edged to 65%/35% in favour of remain, from more like 60%/40% at mid-week. EUR/USD also benefited modestly on the coattails of GBP.

So in FX, GBP/USD +1.9% to 1.4472; EUR/USD +0.46% to 1.1277; USD/JPY +0.4% to 104.7; AUD/USD +1.0% to 0.7435; NZD +0.4% to 0.7075: The narrow DXY ended Friday -0.38% at 94.2, the broader BBDXY -0.44% and the ADXY +0.07%.

In stocks, the S&P500 finished 0.33% lower at 2071.22 (-1.2% on the week), the Dow -0.33% and the NASDAQ -0.92%. Earlier the FTSE 100 gained 1.2%, the Eurostoxx 50 gained 0.85% and the Dax 0.85%.

In US rates, 10 year Treasuries edged up from 1.58% to 1.609% (and reversing a mid-session wobble lower) to be 3.2bps lower on the week. 2s +0.8bp to 0.695% (-3.4bps on the week). 10yr Bunds reversed back into positive yields territory, +4.3bps to 0.019%. Commodities drew some support from the softer dollar with WTI crude +\$1.80 to \$47.98 (a fall of \$1.09 on the week) and Brent +\$2.0 to \$49.17 (-\$1.37 on the week). The China 62% fines iron ore

import price added 30 cents to \$51.09 (-\$1.51 on the week) and the LME index +0.41%. Gold lost \$3.60 to \$1,292.5 but was \$19 higher on the week.

As for economic data, China May property prices, published on Saturday, showed annual inflation across the 70 cities tracked by the NBS +6.9% in May up from 6.2% according to Reuters calculations. 50 of the 70 major cities reported prices gain last month versus 46 in April. An NBS spokesman said that the average (price) growth of new homes in first-tier cities started to narrow, while it continued to widen in second and third tier cities (Reuters reports).

On Friday, US May housing starts -0.3% against -1.9% expected and April was revised down to +4.9% from +6.6%. Building permits +0.7% below the 1.3% expected but April was revised up to 4.9% from 3.6%.

St. Louis Fed President James Bullard on Friday issued a statement revealing himself to be responsible for the horizontal (0.625%) dot point in Wednesday's FOMC SEP. He said it follows the adoption by the bank's economist of a new approach to analysing the US in which they no longer try to predict what the long-term outlook is, preferring to set policy on the assumption the economy will remain in its current state.

Coming Up

This week is of course all about Thursday's UK referendum and where the results are likely to start trickling in from about 9:30 AEST on Friday with the outcome expected to be known sometime during the Australian afternoon. See our What to Watch publication from Friday for a ready reckoner on Friday's expected timeline of events, and what happens next in the event of a vote for 'Brexit' (if you are not receiving this but would like to, please email us)

Internationally and ahead of Thursday, Fed Chair Yellen testifies to the Senate banking Committee on Tuesday, but it's doubtful we'll learn more than we did last Wednesday. Here, it's RBA Board minutes while the RBA's DeBelle, Heath and Ellis are all due to pop up during the week.

Overnight

On global stock markets, the S&P 500 was -0.01%. Bond markets saw US 10-years +2.90bp to 1.61%. In commodities, Brent crude oil +1.30% to \$49.25, gold +0.7% to \$1,300, iron ore +0.8% to \$51.05. AUD is at 0.7435 and the range since Friday 5pm Sydney time is 0.7379 to 0.7435.

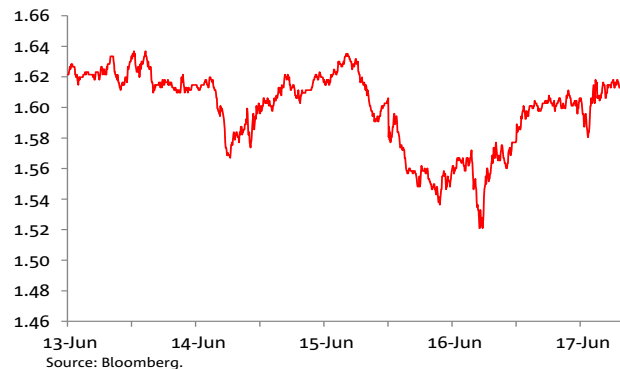
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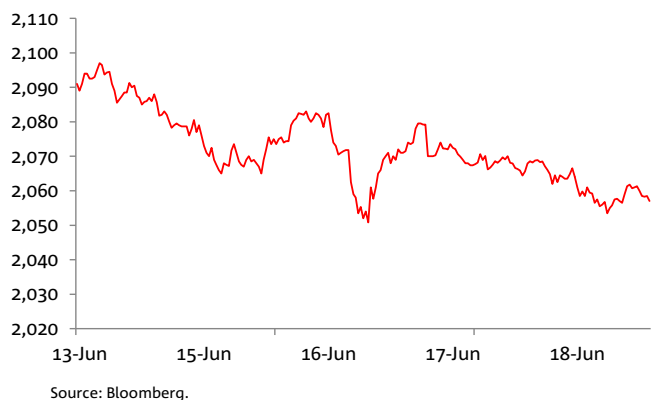
AUD/USD - past week



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	0.7434	1.0	0.7361	0.7438	HKD	7.7607 0.0
NZD	0.7076	0.4	0.7033	0.7092	CNY	6.5870 -0.1
EUR	1.1331	0.9	1.1223	1.1342	SGD	1.3464 -0.2
GBP	1.4484	2.0	1.4200	1.4485	IDR	13,339 -0.3
JPY	104.71	0.4	104.08	104.83	THB	35.20 -0.3
CAD	1.2848	-0.9	1.2830	1.2968	KRW	1,173 0.1
AUD/EUR	0.6562	0.0	0.6546	0.6579	TWD	32.38 0.0
AUD/JPY	77.84	1.4	76.75	77.89	PHP	46.45 0.1
AUD/GBP	0.5132	-1.0	0.5132	0.5191	CHF	0.96 -0.4
AUD/NZD	1.0506	0.5	1.0442	1.0517	SEK	8.26 -0.9
AUD/CNH	4.8602	0.8	4.8561	4.8939		

Interest Rates

	Indicative Swap Rates				Benchmark 10 Year Bonds		
	Cash	3mth	2Yr	10Yr	Last	chge	Sprd
USD	0.50	0.64	0.85	1.49	USD 10	1.61	2.90
AUD	1.75	2.00	1.83	2.32	AUD 10	2.08	7.30 0.47
NZD	2.25	2.35	2.29	2.77	NZD 10	2.47	3.40 0.86
EUR	0.00	-0.27	-0.20	0.46	CAD 10	1.12	1.20 -0.49
GBP	0.50	0.58	0.73	1.23	EUR 10	0.02	4.30 -1.59
JPY	-0.03	-0.03	-0.13	0.02	GBP 10	1.14	3.40 -0.46
CAD	0.50	0.89	0.89	1.39	JPY 10	-0.15	4.10 -1.76

Equities

Major Indices	Last	% day	% y/y
	Dow	17,675	-0.3
S&P 500	2,071	-0.3	-1.8
Nasdaq	4,800	-0.9	-6.2
VIX	19	0.2	39.0
FTSE	6,021	1.2	-10.3
DAX	9,631	0.8	-12.8
CAC 40	4,194	1.0	-12.9
Nikkei	15,600	1.1	-22.7
Shanghai	2,885	0.4	-35.6
Hang Seng	20,170	0.7	-24.6
ASX 200	5,163	0.3	-7.8

Commodities*

	Last	% day
Oil (Brent)	49.25	4.7
Oil (WTI)	48.26	4.9
Oil (Tapis)	48.41	0.0
Gold	1300.10	1.5
CRB	192.38	1.8
GS Metals	260.0	0.4
Aluminium	1611.0	0.7
Copper	4549.0	0.0
Nickel	9035.5	2.4
Zinc	1974.0	-0.6
Ch. steel	2097.0	1.1
Iron ore	51.1	0.7
Coal	52.6	-0.1
Wheat Chic.	495.0	1.8
Sugar	19.7	-0.2
Cotton	64.5	2.0
Coffee	143.3	1.3

Overnight Futures

	Last	Chge*
Australia		
3 mth bill	98.10	1.00
3 Yr bond	97.8	-3.00
10 Yr bond	97.88	7.50
3/10 sprd	-0.08	-10.50
SPI	5117.0	-44.0

*Change in bps

CO₂ Emissions - Euros

	Last	% day
Jun-2016	5.86	Clsd
Dec-2016	5.67	-0.7
Jun-2017	5.69	-0.7

* clsd = market holiday

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

Calendar

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEST
Monday, 20 June 2016								
NZ	WMM Consumer Confidence	Q2				109.6	22.00	8.00
NZ	Performance Services Index	May				57.7	22.30	8.30
JN	Trade Balance Adjusted	May		113.4		426.6	23.50	9.50
JN	Convenience Store Sales YoY	May			0.9	7.00	17.00	
EC	Construction Output MoM/YoY	Apr			-0.9/-0.5	9.00	19.00	
CA	Wholesale Trade Sales MoM	Apr			-1.0	12.30	22.30	
NZ	Westpac Consumer Confidence	2Q			109.6	22.00	8.00	
CA	Bloomberg Nanos Confidence	Jun 17			57.9	14.00	0.00	
US	Fed's Kahskari gives prepared remarks on TBTF					16.15	2.15	
Tuesday, 21 June 2016								
AU	RBA's Guy Debelle, Assistant Governor (Financial Markets) speaks on "Liquidity in Domestic Fixed Income Markets", Sydney						23.25	9.25
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Jun 19				116.4	23.30	9.30
AU	RBA June Meeting Minutes						1.30	11.30
AU	Speech by RBA's Alex Heath, Head of Economic Analysis Department, at CEDA's NSW Energy Series 2016, Sydney						1.30	11.30
AU	House Price Index QoQ/YoY	1Q	0.6/7.6	0.8/7.5		0.2/8.7	1.30	11.30
JN	All Industry Activity Index MoM	Apr		1.2		0.1	4.30	14.30
UK	Public Finances (PSNCR)	May				-2.4	8.30	18.30
GE	ZEW Survey Current Situation/Expectations	Jun		54/4.8		53.1/6.4	9.00	19.00
EC	ZEW Survey Expectations	Jun				16.8	9.00	19.00
UK	CBI Trends Total Orders/Selling prices	Jun		-10		-8.0/2.0	10.00	20.00
US	Yellen Testifies on Monetary Policy to Senate Banking Panel						14.00	0.00
Wednesday, 22 June 2016								
NZ	Net Migration SA	May			5520	22.45	8.45	
AU	Westpac Leading Index MoM	May			0.2	0.30	10.30	
AU	Skilled Vacancies MoM	May			0.6	1.00	11.00	
NZ	Credit Card Spending MoM/YoY	May			2.5	3.00	13.00	
CA	Retail Sales MoM	Apr			-1.0	12.30	22.30	
US	FHFA House Price Index MoM	Apr		0.6		0.7	13.00	23.00
CH	Conference Board Leading Economic Index	May					13.00	23.00
EC	Consumer Confidence	Jun A		-7		-7.0	14.00	0.00
US	Existing Home Sales, #/MoM	May		5.55/1.83		5.5/1.7	14.00	0.00
US	Yellen Testifies on Monetary Policy to House Financial Services Panel						14.00	0.00
US	Fed Governor Powell gives introductory remarks at panel in New York						18.30	4.30
Thursday, 23 June 2016								
NZ	ANZ Job Advertisements MoM	May				1.7	22.00	8.00
AU	Panel participation by RBA's Luci Ellis, Head of Financial Stability Department, at the finance and regulation banking event, Sydney						23.00	9.00
CH	MNI Business Indicator	Jun					1.45	11.45
JN	Nikkei Japan PMI Mfg	Jun P				47.7	2.00	12.00
JN	Leading Index CI	Apr F				100.5	5.00	15.00
UK	UK votes on whether to remain in or leave the EU							
GE	Markit/BME Germany Manufacturing PMI	Jun P		52		52.1	7.30	17.30
GE	Markit Germany Services/Composite PMI	Jun P		55/54.3		55.2/54.5	7.30	17.30
EC	Markit Eurozone Manufacturing PMI	Jun P		51.4		51.5	8.00	18.00
EC	Markit Eurozone Services/Composite PMI	Jun P		53.2/53.1		53.3/53.1	8.00	18.00
AU	Remarks by RBA's Debelle at Sydney Harcourt Visiting Professorship event						8.15	18.15
US	Chicago Fed Nat Activity Index	May				0.1	12.30	22.30
US	Initial Jobless Claims	Jun 18				277	12.30	22.30
US	Bloomberg Consumer Comfort	Jun 19				42.1	13.45	23.45
US	Markit US Manufacturing PMI	Jun P		50.3		50.7	13.45	23.45
US	New Home Sales	May		565		619	14.00	0.00
US	Leading Index	May		0.2		0.6	14.00	0.00
US	New Home Sales MoM	May		-8.7		16.6	14.00	0.00
US	Kansas City Fed Manf. Activity	Jun				-5.0	15.00	1.00
Friday, 24 June 2016								
UK	EU referendum vote counting begins						21.00	7.00
US	Fed's Kaplan Speaks in New York						23.00	9.00
JN	PPI Services YoY	May		0.1		0.2	23.50	9.50
GE	IFO Business Climate	Jun		107.4		107.7	8.00	18.00
GE	IFO Current Assessment/Expectations	Jun		114/101.2		114.2/101.6	8.00	18.00
UK	BBA Loans for House Purchase	May		37500		40104	8.30	18.30
US	Durable Goods Orders/Core orders	May P		-0.8/0		3.4/-0.6	12.30	22.30
US	U. of Mich. Sentiment/5-10yr inflation expectations	Jun F		94.1/		94.3/2.3	14.00	0.00
Monday, 27 June 2016								
NZ	Trade Balance	May				292.0	22.45	8.45
CH	Industrial Profits YoY	May				4.2	1.30	11.30
EC	M3 Money Supply YoY	May				4.6	8.00	18.00
US	Advance Goods Trade Balance	May				-57.5	12.30	22.30
US	Markit US Services/Composite PMI	Jun P				51.3/50.9	13.45	23.45
CA	Bloomberg Nanos Confidence	Jun 17				57.9	14.00	0.00
EC/CH	PBOC Governor Zhou Speaks at ECB Forum in Sintra, Portugal						17.30	3.30
Tuesday, 28 June 2016								
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Jun 19				116.4	23.30	9.30
UK	CBI Retailing Reported Sales	Jun				7.0	10.00	20.00
UK	CBI Total Dist. Reported Sales	Jun				19.0	10.00	20.00
US	GDP Annualized QoQ	1Q T				0.8	12.30	22.30
US	S&P/CS 20 City MoM/YoY SA	Apr				0.9/5.4	13.00	23.00
CH	Leading Index	Apr				99.1	28-30 June release	
US	Consumer Confidence Index	Jun				92.6	14.00	0.00
US	Richmond Fed Manufact. Index	Jun				-1.0	14.00	0.00
Wednesday, 29 June 2016								
JN	Retail Sales MoM/YoY	May				0.0/-0.8	23.50	9.50
JN	Dept. Store, Supermarket Sales	May				-0.7	23.50	9.50
AU	HIA New Home Sales MoM	May				-1.8	1.00	11.00
CH	Westpac-MNI Consumer Sentiment	Jun				114.2	1.45	11.45
GE	GfK Consumer Confidence	Jul				9.8	6.00	16.00
UK	Mortgage Approvals	May				66.3	8.30	18.30
EC	Business Climate Indicator	Jun				0.3	9.00	19.00
GE	CPI MoM/YoY	Jun P				0.3/0.1	12.00	22.00
GE	CPI EU Harmonized MoM/YoY	Jun P				0.4/0.0	12.00	22.00
US	Personal Income/Spending	May		/		0.4/1.0	12.30	22.30
US	Real Personal Spending	May		/		0.6	12.30	22.30
US	PCE Deflator MoM/YoY	May		/		0.3/1.1	12.30	22.30
US	PCE Core MoM/YoY	May		/		0.2/1.6	12.30	22.30
US	Pending Home Sales MoM/YoY	May		/		5.1/2.9	14.00	0.00
Upcoming Central Bank Interest Rate Announcements								
Australia, RBA		5-Jul	1.75%	1.75%		1.75%		
UK BOE		14-Jul				0.50%		
Canada, BoC		14-Jul				0.50%		
Europe ECB		21-Jul				0.00%		
US Federal Reserve		27-Jul				0.25-0.50%		
Japan, BoJ		29-Jul				-0.1% to +0.1%		
New Zealand, RBNZ		11-Aug	2.00%	2.00%		2.25%		

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

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