

Don't get married or travel today!

For English-speaking countries Friday 13th is considered to be a day of bad luck, but in Chile, where I am from, as well as other Spanish-speaking countries together with Greece, Tuesday 13th instead of Friday 13th is considered to be an unlucky day. One historical explanation is that the fall of Constantinople to the Fourth Crusade occurred on Tuesday, April 13, 1204, and the Fall of Constantinople to the Ottomans happened on Tuesday, 29 May 1453 (1+4+5+3 =13). There is a popular saying in Spanish inspired by this superstition that says don't get married or travel on Tuesday 13 (Martes trece no te cases ni te embarques). But thankfully, if you are superstitious there are ways to overcome an unlucky day, if you walk under a ladder today or if a black cat crosses your path, make sure you knock on some wood. There is a trick, however, make sure the wood object doesn't have any legs (like in the case of a table).

Well it has been a quiet and mixed night for markets overnight. Most European equity indices ended the day with small losses while US equities have traded in and out of positive territory. One factor weighing on markets was the sharp drop in China's Shanghai composite. The index fell 2.47% amid concerns over the country's property market following comments from China Vanke Co.'s president noting that home sales will drop "significantly" in the coming year.

US and European energy stocks benefited from yesterday's rise in oil prices during the Asia session, however oil prices eased overnight with WTI drifting to \$52.60 after trading to an overnight high of \$54.46.

In a similar pattern, 10y US treasury yields struggled to stay above the all-important 2.50% mark. After trading to an overnight high of 2.526%, 10y UST are now trading at 2.47%. That said, the fact that 10 UST briefly topped 2.5% for the first time since October 2014 is important, 10y UST tend to top out in big round figures, the question now is whether this time it will be different.

The USD was weaker across the board with the pullback in US Treasury yields and position adjustment ahead of the FOMC meeting probably the likely drivers. A December Fed rate hike is more than fully priced and the risk is that the Fed keep its funds rate outlook unchanged (median dot point current suggests 2 hikes in 2017) until it sees inflationary evidence from Trump's policies.

GBP was the top performer overnight, up 0.77% against the USD and currently trading at 1.268. Speculation around a deal for UK and EU citizens being allowed to remain in the

EU and UK respectively was noted as one catalyst while the Chancellor of the exchequer Philip Hammond said that there is a growing consensus on transitional Brexit period being extended beyond two years.

The AUD has again flirted with a move above 75c, breaking above the level on three occasions overnight. However air remains thin above the mark and now the currency is back trading with a 74 handle. That said commodity prices continue to support the currency and relative to yesterday's levels the AUD is 0.54% stronger against the USD. Iron ore prices have climbed 2.4% with news from Port Hedland showing iron ore exports are up by 10%.

Coming Up

This morning in Australia we get the all-important NAB Business survey for November. All will be revealed at 11:30 am Sydney time and as usual I can't really tell you much more than that as for one I have no idea what is in the survey and two even if I did I wouldn't be allowed to tell you before the survey is released.

That said, given the recent softness in the labour market as well as the negative Q3 GDP print, the NAB survey is likely to garner more attention than usual. Looking over the past few months our survey has been pointing to some moderation in the non-mining recovery and although Business Conditions (a combination of trading, profitability and employment conditions) have remained above average levels, in October the index fell to 6 from 8. Meanwhile, although business confidence has proven to be relatively resilient this year, the index also moderated in October, falling 2 points to 4 and below the long run average of +6. Subdued retail conditions in October were also an additional concern. So the November version of the NAB survey will be closely monitored to see how these softening trends have evolved in the past month.

This afternoon China will update its main activity indicators for November. Both Industrial production and fixed asset investment are expected to have remained unchanged in the month (6.1%/y and 8.3%/y) while the expectation of a small uptick in retail sales sees the year on year number edging to 10.2% from 10.0%/y previously. If so, steady as she goes will be the message from China.

Later in Europe, Germany releases its final November CPI reading along with the December ZEW survey while on the other side of the Channel the UK releases its inflation numbers for November. Consensus expectations are for core CPI to have risen from 0.9%/y to 1.1%/y while a small rise in retail prices is also expected (2.1%/y from 2.0%/y). No

doubt the post Brexit GBP weakness will be blamed if we get any upside surprises in the numbers.

The NFIB small business sentiment survey is out in the US tonight and the headline index is expected to have risen to 96.5 from 94.9 in November. As the US election is now behind us, one uncertainty has been removed and the Federal court decision to postpone changes to overtime pay regulations is also seen as an additional potential factor for the improvement in small business optimism in November.

Overnight

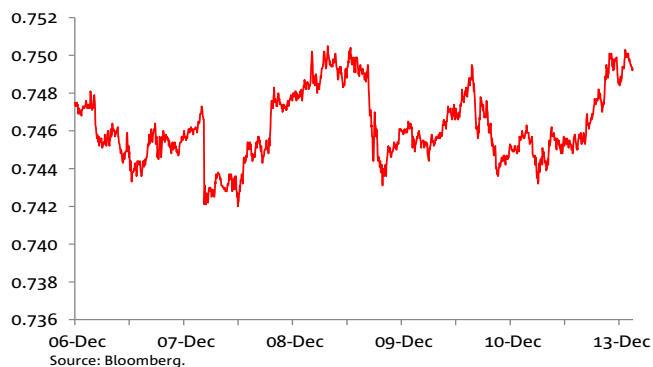
On global stock markets, the S&P 500 was -0.21%. Bond markets saw US 10-years +0.74bp to 2.47%. In commodities, Brent crude oil +1.91% to \$55.37, gold+0.4% to \$1,164, iron ore +2.4% to \$83.58, St. Coal +1.6% to \$85.70, Met. Coal -0.9% to \$277.50. AUD is at 0.7491 and the range since yesterday 5pm Sydney time is 0.7448 to 0.7503.

Chart of the Day – China steady in November?

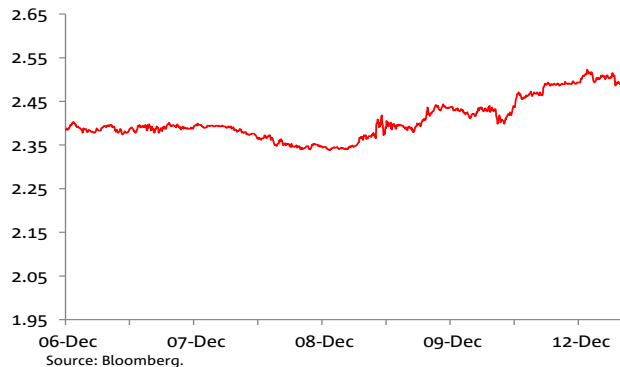


Markets

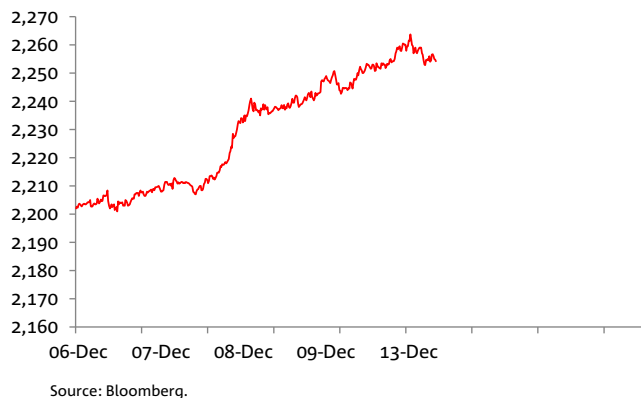
AUD/USD - past week



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	0.7491	0.6	0.7431	0.7504	HKD	7.7579 0.0
NZD	0.7186	0.7	0.7116	0.7208	CNY	6.9069 0.0
EUR	1.0634	0.7	1.0520	1.0652	SGD	1.4248 -0.4
GBP	1.2676	0.8	1.2546	1.2700	IDR	13,331 0.1
JPY	115.01	-0.3	114.85	116.12	THB	35.59 -0.2
CAD	1.3143	-0.3	1.3109	1.3181	KRW	1,168 0.2
AUD/EUR	0.7044	-0.1	0.7039	0.7083	TWD	31.86 0.1
AUD/JPY	86.16	0.3	85.74	86.62	PHP	49.88 0.2
AUD/GBP	0.5910	-0.2	0.5901	0.5947	CHF	1.01 -0.3
AUD/NZD	1.0424	-0.1	1.0406	1.0463	SEK	9.17 -0.2
AUD/CNH	5.1747	0.4	5.1487	5.1955		

Interest Rates

	Indicative Swap Rates				Benchmark 10 Year Bonds		
	Cash	3mth	2Yr	10Yr	Last	chge	Sprd
USD	0.50	0.96	1.37	2.34	USD 10	2.47	0.74
AUD	1.50	1.77	1.86	2.97	AUD 10	2.86	4.00 0.38
NZD	1.75	2.04	2.32	3.46	NZD 10	3.31	3.80 0.83
EUR	0.00	-0.32	-0.16	0.81	CAD 10	1.75	1.90 -0.73
GBP	0.25	0.38	0.65	1.44	EUR 10	0.40	3.40 -2.08
JPY	-0.05	-0.05	0.03	0.27	GBP 10	1.47	1.40 -1.01
CAD	0.50	0.90	1.07	1.98	JPY 10	0.09	2.70 -2.39

Equities

Major Indices

	Last	% day	% y/y
Dow	19,780	0.12	14.6
S&P 500	2,255	-0.21	12.0
Nasdaq	5,405	-0.72	9.6
VIX	13	8.60	-47.7
FTSE	6,890	-0.9	15.8
DAX	11,190	-0.1	8.2
CAC 40	4,761	-0.1	4.6
Nikkei	19,155	0.8	-0.4
Shanghai	3,153	-2.5	-8.2
Hang Seng	22,433	-1.4	4.5
ASX 200	5,563	0.0	10.6

Overnight Futures

	Last	Chge*
Australia		
3 mth bill	98.23	-1.00
3 Yr bond	97.8	0.00
10 Yr bond	97.19	-4.80
3/10 sprd	0.61	4.80
SPI	5553.0	6.0

*Change in bps

Commodities*

	Last	% day
Oil (Brent)	55.37	1.9
Oil (WTI)	52.47	1.9
Oil (Tapis)	57.71	5.1
Gold	1163.50	0.4
CRB	193.35	0.7
GS Metals	319.0	0.0
Aluminium	1736.8	-1.1
Copper	5754.5	-1.1
Nickel	11253.3	-1.5
Zinc	2715.8	0.7
Ch. steel	3464.0	4.2
Iron ore	83.6	2.4
St. Coal	85.7	1.6
Met.coal	277.5	-0.9
Wheat Chic.	417.3	0.2
Sugar	19.3	0.1
Cotton	71.7	1.3
Coffee	142.0	1.9

CO₂ Emissions - Euros

	Last	% day
Dec-2016	4.86	9.0
Jun-2017	4.88	8.9

* cld = 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

Source: Bloomberg

Calendar

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEDT
Wednesday, 7 December 2016								
NZ	ANZ Job Advertisements MoM	Nov				0.60%	22.00	8.00
NZ	RBNZ's Wheeler at Select Committee for Annual Report						23.00	9.00
AU	AiG Perf of Construction Index	Nov				45.9	23.30	9.30
UK	BRC Shop Price Index YoY	#N/A	Field Not Applicable			-1.7	#VALUE!	#VALUE!
AU	GDP QoQ/YoY	3Q	-0.2%/2.1	-0.1/2.2		0.5/3.3	1.30	11.30
JN	Leading Index CI	Oct P		101.4		100.3	6.00	16.00
GE	Industrial Production SA MoM/YoY	Oct		0.8/1.6		-1.8/1.2	8.00	18.00
UK	Halifax House Prices MoM/YoY	Nov		0.2		1.4/5.2	9.30	19.30
UK	Industrial Production MoM/YoY	Oct		0.2/0.5		-0.4/0.3	10.30	20.30
US	MBA Mortgage Applications	Dec 2				-9.4	13.00	23.00
CH	Foreign Reserves	Nov		3063.18		3120.7		
CA	Bank of Canada Rate Decision	Dec 7		0.5		0.5	16.00	2.00
UK	NIESR GDP Estimate	Nov		0.4		0.4	16.00	2.00
US	JOLTS Job Openings	Oct		5500		5486.0	16.00	2.00
US	Consumer Credit	Oct		18.3		19.3	21.00	7.00
Thursday, 8 December 2016								
NZ	RBNZ Governor Wheeler speaks: Some thoughts on New Zealand's Economic Expansion						22.00	8.00
JN	BoP Current Account Adjusted	Oct		1716.5		1477.3	0.50	10.50
JN	GDP SA QoQ/Annualised QoQ	3Q F		0.5/2.3		0.5/2.2	0.50	10.50
UK	RICS House Price Balance	Nov		26		23.0	1.10	11.10
AU	Trade Balance	Oct	-850	-610		-1227.0	1.30	11.30
EC	ECB Main Refinancing/Deposit Facility Rate	Dec 8		0/-0.4		0.0/-0.4	13.45	23.45
EC	ECB Asset Purchase Target	Dec		80		80.0	13.45	23.45
CH	Trade Balance	Nov		46.9		49.1		
CH	Exports/Imports YoY	Nov		-5/-1.8		-7.3/-1.4		
JN	Eco Watchers Survey Current/Outlook	Nov				46.2	6.00	16.00
CH	Foreign Direct Investment YoY CNY	Nov		2		1.2		
CA	Housing Starts	Nov		192		192.9	14.15	0.15
CA	Capacity Utilization Rate	3Q		81.5		80.0	14.30	0.30
CA	New Housing Price Index MoM/YoY	Oct				0.2/2.8	14.30	0.30
CA	Building Permits MoM	Oct		2		-7.0	14.30	0.30
US	Initial Jobless Claims	Dec 3		255		268.0	14.30	0.30
US	Bloomberg Consumer Comfort	Dec 4				44.9	15.45	1.45
Friday, 9 December 2016								
US	Household Change in Net Worth	3Q				1075.0	18.00	4.00
NZ	Card Spending Retail/Total MoM	Nov		0.4		0.6/0.6	22.45	8.45
NZ	REINZ House Sales YoY	Nov				-14.2		
JN	BSI Large All Industry/Manufacturing QoQ	4Q				1.9/2.9	0.50	10.50
AU	Home Loans/Investment MoM	Oct		-1		1.6/4.6	1.30	11.30
CH	CPI/PPI YoY	Nov		2.2/2.3		2.1/1.2	2.30	12.30
JN	Machine Tool Orders YoY	Nov P				-8.9	7.00	17.00
GE	Current Account Balance	Oct		22		24.2	8.00	18.00
GE	Exports SA MoM	Oct		0.9		-0.7	8.00	18.00
EU	ECB's Smets Speaks at Banking Conference in Brussels						9.00	19.00
UK	Trade Balance	Oct		-4300		-5221.0	10.30	20.30
UK	Construction Output SA MoM/YoY	Oct		0.2		0.3/0.2	10.30	20.30
UK	BoE/TNS Inflation Next 12 Mths	Nov				2.2	10.30	20.30
US	Wholesale Inventories/Sales MoM	Oct F		-0.4		-0.4/0.2	16.00	2.00
US	U. of Mich. Sentiment/5-10y Inflationary expectations	Dec P		94.5		93.8/2.6	16.00	2.00
CH	New Yuan Loans/Aggregate Financing CNY	Nov		710.65/1100		651.3/896.3	10-15 Dec release	
Monday, 12 December 2016								
CH	Foreign Direct Investment YoY CNY	Nov		2		1.2		
NZ	REINZ House Sales YoY	Nov				-14.2		
JN	Machine Orders MoM/YoY	Oct		/		-3.3/4.3	0.50	10.50
JN	PPI MoM/YoY	Nov		/		-0.1/-2.7	0.50	10.50
JN	Tertiary Industry Index MoM	Oct				-0.1	5.30	15.30
JN	Machine Tool Orders YoY	Nov P				-8.9	7.00	17.00
CA	Bloomberg Nanos Confidence	Dec 9				55.6	16.00	2.00
Tuesday, 13 December 2016								
NZ	Mfg Activity Volume/Activity QoQ	3Q				2.8	22.45	8.45
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Dec 4				115.4	23.30	9.30
AU	NAB Business Conditions/Confidence	Nov				6.0	1.30	11.30
AU	House Price Index QoQ/YoY	3Q		/		2.0/4.1	1.30	11.30
CH	Industrial Production YoY/YTD YoY	Nov		6.1/6		6.1/6.0	3.00	13.00
CH	Retail Sales YoY/YTD YoY	Nov		10.2/10.3		10.0/10.3	3.00	13.00
CH	Fixed Assets Ex Rural YTD YoY	Nov		8.3		8.3	3.00	13.00
GE	CPI EU Harmonized MoM/YoY	Nov F		/		0.0/0.7	8.00	18.00
UK	CPI MoM/YoY	Nov		/		0.1/0.9	10.30	20.30
UK	CPI Core YoY	Nov		/		1.2	10.30	20.30
UK	PPI Input NSA MoM/YoY	Nov		/		4.6/12.2	10.30	20.30
UK	PPI Output Core NSA MoM/YoY	Nov		/		0.4/1.9	10.30	20.30
UK	House Price Index YoY	Oct				7.7	10.30	20.30
EC	Employment QoQ/YoY	3Q		/		0.4/1.4	11.00	21.00
GE	ZEW Survey Current Situation/Expectations	Dec		/		58.8/13.8	11.00	21.00
EC	ZEW Survey Expectations	Dec				15.8	11.00	21.00
US	NFIB Small Business Optimism	Nov		96.5		94.9	12.00	22.00
US	Import Price Index MoM/YoY	Nov		-0.3/		0.5/-0.2	14.30	0.30
Upcoming Central Bank Interest Rate Announcements								
Australia, RBA		6-Dec	1.50%	1.50%		1.50%		
Canada, BoC		7-Dec		0.50%		0.50%		
Europe ECB		8-Dec		0.00%		0.00%		
US Federal Reserve		15-Dec	0.5-0.75%	0.5-0.75%		0.25-0.50%		
UK BOE		15-Dec		0.25%		0.25%		
Japan, BoJ		20-Dec		-0.1% to +0.1%		-0.1% to +0.1%		
New Zealand, RBNZ		9-Feb	1.75%	1.75%		1.75%		

GMT: Greenwich Mean Time; AEDT: Australian Daylight Savings Time

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