

USD back in vogue. Gold, crude trounced

The US Federal Reserve's labour market conditions index (LMCI), a survey comprising of 19 labour market indicators, continued to improve in October with an increase of 4.0pts reported. The reading matched the upwardly-revised 4pt increase in September although overall growth, at this point at least, lags behind the improvement recorded earlier in the year.

The San Francisco Fed released an economic [letter](#) overnight that asks the question 'does slower growth imply lower interest rates?' It's worth the read with the authors concluding that risks are skewed to the upside based off current rate projections.

Canadian housing starts slipped in October with an annual rate of 183.6k [reported](#). The reading was below the 197.4k level of September and expectations for an increase to 200k and was the slowest annualised rate seen since March this year. Starts in both urban and rural areas fell during the month with the former dragged down by a hefty 13.9% drop in multi-unit developments.

Eurozone investor sentiment rebounded in November with the Sentix [index](#) rising to 11.9. The reading was higher than the -13.7 figure of October and expectations for a decline to -13.8 with a sharp bounce in expectations, up to -2 from -7.3, managing to offset a decline in the current assessment measure which fell to -21.3, the lowest level seen since August 2013. In what will come as a shock to no one, the survey is of market participants after all, recent announcements from the ECB and BoJ, both involving stimulus, were sighted as the chief catalysts behind the lift in sentiment.

Italian industrial production fell sharply in September with a contraction of 0.9% [recorded](#). The reading was well below the downwardly-revised 0.2% gain of August and expectations for a decline of 0.2% and left the annual rate of change, adjusted for working days, at -2.9%, the lowest level seen since September 2013. Every component saw production fall over the month with consumer goods, led by a 5.2% drop in durable goods, leading the declines with a contraction of 3.2% reported.

The Day Ahead (AEDT)

The ASX 200 looks set to rebound modestly this morning with SPI futures pointing to a rise of 13pts on the open. While intraday index moves have been harder to read of late, like in the States, gains across defensives and financials should be able to offset weakness in the gold and energy sectors.

The AUDUSD has given back ground overnight with the pair currently fetching .8617. With markets in the States partially closed this evening and with only second-tier data released domestically, another quiet session looks on the cards in Asia. Support is found at .8600 with further buying support likely to emerge at .8570 and .8541 with resistance kicking in at .8625, .8650 and again at .8680.

Australian data releases today include the latest NAB business survey for October, Q3 house price index along with the weekly ANZ-Roy Morgan consumer confidence index. On the regional front we'll also receive trade, consumer confidence and machine tool orders from Japan. Later in the evening we'll also receive the latest NFIB small business survey from the States along with Spanish housing turnover.

Currencies	Level	+/-	%
AUDUSD	0.8617	-0.0040	-0.46%
AUDEUR	0.6938	0.0002	0.03%
AUDGBP	0.5439	-0.0010	-0.18%
AUDJPY	98.96	-0.0520	-0.05%
AUDNZD	1.1125	-0.0016	-0.14%
EURUSD	1.2420	-0.0062	-0.50%
GBPUSD	1.5844	-0.0045	-0.28%
NZDUSD	0.7746	-0.0023	-0.30%
USDJPY	114.84	0.46	0.40%
USDCHE	0.9683	0.0043	0.45%
USDCNY	6.1199	-0.0025	-0.04%
USD INDEX	87.81	0.1710	0.20%

Equities			
DJIA	17613.74	39.81	0.23%
S&P500	2038.26	6.34	0.31%
Nasdaq	4651.617	19.085	0.41%
STOXX 50	3094.6	29.68	0.97%
FTSE	6611.25	44.01	0.67%
DAX	9351.87	60.04	0.65%
CAC	4222.82	32.93	0.79%
ASX200	5523.957	-25.173	-0.45%
Nikkei	16780.53	-99.85	-0.59%
Shanghai	2473.673	55.502	2.30%
Hang Seng	23744.7	194.46	0.83%
Kospi	1958.23	18.36	0.95%
Sensex	27874.73	6.1	0.02%

Commodities			
Gold	\$1,152.19	-25.76	-2.19%
Silver	\$15.61	-0.18	-1.11%
Crude Oil	\$77.31	-1.34	-1.70%
Iron Ore	\$75.80	-0.04	-0.05%
Copper	\$301.75	-2.1	-0.69%
Met. Coal	\$109.00	1	0.93%

AU Debt Futures		
3m BBSW	2.750%	0.00%
3 Year	2.590%	0.03%
10 Year	3.335%	0.03%

Govt 10-Yr Bond Yields		
Australia	3.281%	-0.07%
NZ	4.031%	-0.02%
Japan	0.450%	-0.03%
Germany	0.834%	0.02%
UK	2.204%	0.00%
US	2.356%	0.06%

Source: Bloomberg

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