

Crude's slippery downtrend accelerates

US initial jobless claims bounced last week with an increase to 290k [reported](#). The figure was higher than the 278k pace of the previous corresponding week and expectations for an increase to 280k and was the highest level seen since mid-September this year. As was the case with initial claims the 4-week average, a better overall gauge in my opinion, rose by 6k to 285k while the number of citizens receiving extended benefits increased by 36k to 2.392m.

The number of US job openings fell to 4.735m in September, a result that was below the multi-decade high of 4.853m in August and expectations for a decline to 4.8m. While job openings disappointed, the rest of the [JOLTs](#) survey was strong with hiring jumping 284k to 5.026m, the strongest growth seen since December 2007, while the number of quits, an indicator on labour market confidence, jumped by 243k to 2.753m, the highest level seen since April 2008.

The US Federal budget deficit rose to \$121.7b in October, a reading that was below the \$122b figure expected but higher than the \$90.6b level of a year ago. Total receipts came in at \$212.7b, up 6.9% on year, while expenditures hit \$334.4b, a 15.5% jump on October 2013's spend.

William Dudley, New York Fed President and permanent FOMC voting member, delivered a speech in Abu Dhabi overnight. While his rhetoric was largely unchanged, he still sees expectations for a mid-2015 rate increase as reasonable, for all those interested in what he had to say you can access the speech [here](#).

The crude oil price has crumbled yet again overnight with the most-actively traded futures contract on the Mercantile Exchange currently down 3.30% to \$74.62/barrel, the lowest level seen since May 2009.

Canada new home prices continued to push higher in September, albeit at a slower pace than what had been expected, with an increase of 0.1% reported. Despite being below the 0.3% gain of August and expectations for a rise of 0.2%, the year-on-year rate accelerated to 1.6% from 1.5% seen prior.

[German](#) consumer prices fell 0.3% in October, unchanged from the preliminary estimate released earlier in the month, with the annual rate also holding steady at 0.7%. In [France](#) prices were unchanged, beating expectations for a decline of 0.1%, with the annual rate rising to 0.5% from 0.3% in September. Completing the hat-trick of CPI data, [Spanish](#) prices increased 0.1% with the annual rate improving to -0.2%, unchanged from the preliminary estimate.

The Day Ahead (AEDT)

The ASX 200 looks set to snap its losing streak today, at least according to SPI, with futures pointing to a rise of 8pts on the open. With energy and materials, particularly the former, unlikely to offer support given softness in commodities and weakish Chinese data released yesterday, it will likely be left up to the banks to keep the index in the black today. Having fallen for four-consecutive sessions and with this weekend's G20 meeting approaching fast, there's also the possibility of modest short-covering occurring in the back half of the session.

Pushing aside talk of RBA potentially intervening in the currency and a raft of softer-than-expected Chinese economic data, the AUDUSD has moved higher overnight with the pair currently fetching .8715. With no major data scheduled until this evening a session of range trading, likely dominated in moves in USDJPY given ongoing chatter of the potential for an early election and delay to the second sales tax hike, appears likely. Support is found at .8710, .8680 and at .8652 with resistance kicking in at .8765 and again above .8800.

Regional data releases today include Singapore retail sales along with Indian wholesale price inflation. Later in the evening we'll also receive retail sales, University of Michigan-Thomson Reuters consumer survey, import prices and business inventories from the US, a raft of GDP releases in Europe including figures from the Eurozone, Germany and France, French non-farm payrolls along with UK construction output. On the Fed front members Bullard, Fischer and Powell will all be in action this evening.

Currencies	Level	+/-	%
AUDUSD	0.8715	-0.0002	-0.02%
AUDEUR	0.6986	-0.0022	-0.31%
AUDGBP	0.5550	0.0028	0.52%
AUDJPY	100.91	0.1860	0.18%
AUDNZD	1.1050	-0.0017	-0.15%
EURUSD	1.2476	0.0038	0.31%
GBPUSD	1.5705	-0.0082	-0.52%
NZDUSD	0.7887	0.0012	0.15%
USDJPY	115.78	0.23	0.20%
USDCHE	0.9635	-0.0032	-0.33%
USDCNY	6.1261	-0.0002	0.00%
USD INDEX	87.76	-0.0410	-0.05%

Equities			
DJIA	17652.79	40.59	0.23%
S&P500	2039.33	1.08	0.05%
Nasdaq	4680.141	5.004	0.11%
STOXX 50	3056.8	9.5	0.31%
FTSE	6635.45	24.41	0.37%
DAX	9248.51	37.55	0.41%
CAC	4187.95	8.07	0.19%
ASX200	5442.704	-20.348	-0.37%
Nikkei	17392.79	195.74	1.14%
Shanghai	2485.606	-8.87	-0.36%
Hang Seng	24019.94	81.76	0.34%
Kospi	1960.51	-6.76	-0.34%
Sensex	27940.64	-68.26	-0.24%

Commodities			
Gold	\$1,161.23	0.75	0.06%
Silver	\$15.63	-0.04	-0.27%
Crude Oil	\$74.40	-2.42	-3.15%
Iron Ore	\$75.98	-0.22	-0.29%
Copper	\$298.90	-3.9	-1.29%
Met. Coal	\$109.00	1	0.93%

AU Debt Futures		
3m BBSW	2.770%	0.00%
3 Year	2.610%	-0.01%
10 Year	3.340%	-0.02%

Govt 10-Yr Bond Yields		
Australia	3.348%	0.01%
NZ	4.106%	0.02%
Japan	0.497%	-0.03%
Germany	0.798%	-0.01%
UK	2.180%	-0.01%
US	2.350%	-0.02%

Source: Bloomberg

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