

## Commodities cop another drubbing

Eurozone [inflation](#) rose 0.3% in the year to November, in line with expectations but below the 0.4% pace of September, with the reading the equal-lowest level seen since November 2009. Ex-food and energy products prices rose 0.7% on year, the same level recorded in October. Adding to the disappointing CP print [unemployment](#) held at 11.5% in October, the same level as September and in line with expectations.

German retail [sales](#) grew 1.9% in October, a result that was higher than both the upwardly-revised -2.8% decline of September and expectations for an increase of 1.5%. Despite the beat on the monthly print, with weaker data rolling off the series, the annualised rate fell to +1.7% from +2.4% seen previously. While not as strong as the German figure, Spanish retail [sales](#) also grew in October with an annual increase of 1.0% reported. The reading was higher than the 0.8% rate of September and was the fastest pace of growth seen since November 2013.

French consumer spending fell for a second-consecutive month in October with a decline of 0.9% [reported](#). The reading, below the 0.5% contraction of September and expectations for an increase of 0.3%, was the sharpest monthly fall since January this year.

Italian unemployment unexpectedly surged during October with an increase to 13.2% [reported](#). The reading was well above the upwardly-revised 12.9% rate of September and expectations for a decline to 12.6% and was the highest level seen since the series began back in 1977. Adding to the extremely disappointing headline print youth unemployment, those persons aged 15-24, rose to 43.3% from 42.7% in September, the second-highest level in the history of the survey. Complementing the unemployment data [CPI](#) fell 0.3% in November, in line with expectations but below the 0.3% increase of October, with the year-on-year rate holding at +0.2% for a second-consecutive month. Suggesting upstream price pressures are unlikely to arrive anytime soon, producer [prices](#) fell 0.4% although the annual rate of decline slowed to -1.2% from -1.7% in September.

The UK's Nationwide house price [index](#) rose 0.3% in November, in line with expectations but below the 0.5% gain in October, with the annual rate of change coming in at +8.5%, the slowest annual growth rate seen since December last year.

Canada [GDP](#) rose 0.7% in Q3, below the 0.9% pace seen in the three months to June, with the annual rate of change slowing to 2.8% from 3.6%. While a noticeable slowing, the print was well above expectations for a decline to 2.1%.

Indian GDP growth slowed fractionally in Q3 with an increase of 5.3% reported. The reading was below the 5.7% rate seen in Q2 but above expectations for a decline to 5.1%.

### Monday's session Ahead (AEDT)

The ASX 200 looks set to continue its decline on Monday morning, at least according to SPI futures, with a loss of 44pts expected. While the iron ore price continued to recover, spot rose \$1.34 to \$71.32, given further sharp decline across the rest of the commodities complex, particularly in crude, copper and precious metals, it seems unlikely that the index will be able to recover significant ground despite the sharp selloff witnessed Friday.

The AUDUSD closed the trading week buying .8502. With commodity prices already under pressure, something that is clearly weighing on the pair at present, a raft of stronger-than-expected PMI prints, particularly from the two Chinese gauges at Midday and 12.45pm, look like the only catalysts that can alleviate the selling pressure. Support kicks in at .8500 and again at .8480 with nothing of real substance located until the low .8300 region. On the topside resistance kicks in at .8540, .8565 and above .8600.

Australian data releases today include the latest TD-MI inflation and AIG Performance of manufacturing index for November along with company profits and business inventories for Q3.

Regional data releases today include PMI gauges from China, Japan, South Korea and India, Japan Q3 business capex, South Korean trade along with New Zealand Q3 terms of trade. Later in the evening we'll also receive PMI prints from the US, Canada, Eurozone and UK, Italian Q3 GDP along with credit figures from the Bank of England.

Currencies	Level	+/-	%
AUDUSD	0.8502	-0.0048	-0.56%
AUDEUR	0.6824	-0.0034	-0.50%
AUDGBP	0.5432	0.0001	0.02%
AUDJPY	100.8400	0.1900	0.19%
AUDNZD	1.0839	-0.0022	-0.20%
EURUSD	1.2454	-0.0012	-0.10%
GBPUSD	1.5646	-0.0091	-0.58%
NZDUSD	0.7839	-0.0029	-0.37%
USDJPY	118.6100	0.89	0.76%
USDFX	0.9655	0.0014	0.15%
USDCNY	6.1429	0.0039	0.06%
USD INDEX	88.2190	0.2720	0.31%
Equities			
DJIA	17828.24	0.49	0.00%
S&P500	2067.56	-5.27	-0.25%
Nasdaq	4337.79	19.797	0.46%
STOXX 50	3075.50	0.19	0.01%
FTSE	6722.62	-0.8	-0.01%
DAX	9980.85	5.98	0.06%
CAC	4390.18	7.84	0.18%
ASX200	5313.00	-87.922	-1.63%
Nikkei	17459.85	211.35	1.23%
Shanghai	2682.92	52.8734	2.01%
Hang Seng	23987.45	-16.83	-0.07%
Kospi	1980.78	-1.31	-0.07%
Sensex	28693.99	255.08	0.90%
Commodities			
Gold	\$1,167.04	-24.21	-2.03%
Silver	\$15.41	-0.80	-4.94%
Crude Oil	\$65.99	-3.06	-4.43%
Brent Crude	\$70.02	-2.80	-3.85%
Copper	\$2.86	-0.105	-3.54%
Iron Ore Futs	\$485.00	4	0.83%
AU Debt Futures			
3m BBSW	2.740%	-0.01%	
3 Year	2.400%	-0.05%	
10 Year	3.050%	-0.07%	
Govt 10-Yr Bond Yields			
Australia	3.045%	-0.07%	
NZ	3.920%	-0.05%	
Japan	0.419%	-0.01%	
Germany	0.703%	0.00%	
UK	1.926%	0.00%	
US	2.173%	-0.07%	

Source: Thomson Reuters

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