

## US stocks close higher after late-day rally, US PMIs miss, RBA on deck

- Global markets.** It was a better overnight session for US stocks – with all major indices closing higher, paced by the Nasdaq which gained 1.6% and the small cap Russell 2000 at +1.0%. Stocks traded lower throughout most of the session before a late day rally pushed all markets into the green. Over in Europe, markets were lower and the FTSE did not trade for a public holiday.
- US PMI miss sharply.** In economics, manufacturing PMIs were released in both Europe and the US overnight – with European readings missing in Spain and Italy and beating in Germany and the Eurozone more-broadly. While the US ISM reading of 55.4 was well below consensus estimates for 57.6 and also down sharply on last month's 57.1 reading.
- US 10-year tops 3%.** In fixed income news, the US 10-year finally topped 3% overnight after toying with the key level for weeks. The 10-year ultimately closed at 2.98%. Elsewhere, the 2-year was higher by 2bps which resulted in a steepening of the curve by ~6bps.
- In other markets,** the **USD** continued its relentless rise higher against other major currencies, with the DXY up 0.4% to ~104 at the close. Elsewhere, the **AUD** was mixed against other major crosses, **oil** was up ~1%, **gold** and **silver** were weak and **tin** and **uranium** prices were unchanged. Finally, the **VIX Index** fell 3% on account of the day's equity market strength.
- RBA on deck.** Today will see the RBA hand down its rate decision for May, and while economists are broadly split on whether the central bank will raise rates or wait for June (ie. post election), consensus currently has a 0.15% hike as the slightly more-likely of the two views.
- Futures guide lower.** Despite a solid lead from Wall Street overnight, it appears local stocks will open lower when trading commences this morning – with ASX futures currently off by 25 points, or ~0.4% at the time of writing.

World Indices	Close	Prior	% Δ
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Local Markets			
All Ordinaries	7,623.6	7,724.8	-1.3%
ASX 200	7,347.0	7,435.0	-1.2%
ASX Emerging Companies	2,552.1	2,614.6	-2.4%

US Markets			
Dow Jones	33,061.5	32,977.2	0.3%
S&P500	4,155.4	4,131.9	0.6%
Nasdaq	12,536.0	12,334.6	1.6%
Russell 2000	1,882.9	1,864.1	1.0%

Asian & European Markets			
Shanghai Composite	3,047.1	3,047.1	0.0%
Nikkei	26,818.5	26,847.9	-0.1%
Hang Seng	21,089.4	21,089.4	0.0%
FTSE 100	7,544.6	7,509.2	0.5%
DAX 30	13,939.1	14,097.9	-1.1%
CAC 40	6,425.6	6,533.8	-1.7%

Economic Releases	Time	F'cast	Prior
RBA Rate Decision	14:30	0.25%	0.10%
Germany Unemployment Rate	17:55	5.0%	5.0%
Eurzone Unemployment Rate	19:00	6.7%	6.8%
ECB's Lagarde Speaks	23:00	3.9%	4.0%

Key BW Names	Close	Prior	% Δ
Alderaan Resources	0.024	0.023	4.3%
ImExHS	0.850	0.820	3.7%
Forbidden Foods	0.150	0.150	0.0%
Frontier Energy	0.320	0.320	0.0%

Commodities	Close	Prior	% Δ
Oil - West Texas Crude	105.24	104.27	0.9%
Gold	1,864.0	1,897.5	-1.8%
Gold (Aus)	2,682.3	2,682.4	0.0%
Silver	22.62	22.79	-0.7%
Uranium (Spot)	53.88	53.88	0.0%
Tin (Futures)	40,375	40,375	0.0%

Currency	Close	Prior	% Δ
DXY Index	103.60	103.16	0.4%
AUD/USD	0.7050	0.7074	-0.3%
AUD/GBP	0.5642	0.5622	0.4%
AUD/EUR	0.6707	0.6708	0.0%
AUD/YEN	91.76	92.09	-0.4%
AUD/NZD	1.0960	1.0939	0.2%
AUD/CAD	0.9076	0.9083	-0.1%

Other Markets	Close	Prior	% Δ
VIX Index	32.34	33.40	-3.2%
2-Year Treasury Yield (%)	2.731	2.698	3 bp
10-Year Treasury Yield (%)	2.977	2.889	9 bp
US 2-10-Year Spread	0.246	0.191	6 bp