DOW JONES NEWSWIRES

Caixin PMI Shows Softening Demand in China-- Market Talk

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0205 GMT - A private gauge of China's factory activity shows softening demand for the country's products, confirming the result of an official survey. Research firm IHS Markit, which releases the Caixin China manufacturing PMI, says April's factory survey showed a decline in new export orders for the 1st time since November 2016. "Anecdotal evidence suggested that relatively subdued demand in international markets had weighed on export business." Total new orders also slowed in April. The Caixin overall PMI was 51.1, versus 51 in March, as production accelerated slightly. (liyan.qi@wsj.com)

0126 GMT - China guided the yuan 0.4% weaker against the dollar this morning in the first fixing following a 4-day holiday weekend, putting the yuan at its weakest level since Jan. 25. Amid the dollar's ongoing gains, the PBoC set today's reference rate for the dollar at CNY6.3670, compared with CNY6.3393 on Friday. The WSJ Dollar Index is up roughly 1% since Friday and finished domestic trading Friday at CNY6.3439. (saumya.vaishampayan@wsj.com; @saumvaish)

0100 GMT - The most-notable element of New Zealand's 1Q employment growth was the slowdown in private-sector labor costs, says Deutsche Bank. Ordinary-time earnings rose 0.3% after 4Q's 0.4% increase, resulting in another quarter of 1.9% year-over-year growth, remaining at the lowest since 2015. Still, some caution is needed in interpreting the data in light of strength in other labor indicators, Deutsche Bank adds. (james.glynn@wsj.com; @JamesGlynnWSJ)

0053 GMT - Malaysian manufacturing conditions deteriorated for a 3rd month in April, driven by faster declines in output and new orders, according to PMI data from IHS Markit. The headline factory index fell to 48.6 from 49.5 in March; 50 is the dividing line between expansion and contraction territory. The data are indicative of a modest deterioration in sector health since October. IHS Markit says lower production requirements and subdued demand conditions led to manufacturers cooling purchases and pre-production inventories. Input-cost inflation is sharp, too. The bright side is that business sentiment regarding output for the coming year hit 4 1/2-year highs and firms continue to expand capacity and payroll. (yantoultra.ngui@wsj.com; @yantoultra)

2359 GMT - The Aussie dollar has been widely sliding for months, in so small measure because the central bank has made clear it will be a while more before interest rates start rising. Some are now predicting 2020 could be the first increase. Many offshore investors worry about rates elsewhere--especially the US--being higher than in Australia, when the opposite has historically been the case. Beyond putting pressure on the Aussie dollar, some investors are worried about potential related impacts on banks and the country's economy. That amid concerns that global growth may slow from here, notes AxiTrader. The currency is below US$0.75 to breach December's low, and last May's nadir of US$0.7424 looks to be the next target. (james.glynn@wsj.com; @JamesGlynnWSJ)

2347 GMT - With New Zealand employment logging more decent growth in 1Q and unemployment hitting the lowest since 4Q08 at 4.4%, there's few signs that soft business sentiment since last year's election is resulting in slowed hiring, says Capital Economics. While unemployment is below the central bank's so-called natural rate of 4.7%, CapEcon doesn't see today's reading changing the anticipated timing of interest rates starting to rise. Its prediction is mid-2019. (james.glynn@wsj.com; @JamesGlynnWSJ)

2343 GMT - Japanese stocks are set to open modestly higher after a rebound in US tech names and fresh 3-month highs for dollar-yen as the greenback nears Y110 on continued broad strength. Nikkei futures opened up 65 points at 22570 on SGX as the dollar ended local stock trading yesterday at Y109.39. The Nikkei has risen 4 of the past 5 days and set a 3-month closing best itself yesterday. But concerns regarding

North Korea, falling Abe popularity and US rate hikes persist. Meanwhile, today is the end of a holiday-shortened 2-day trading week in Japan. (kosaku.narioka@wsj.com)

2218 GMT - Higher memory prices have been cutting into Apple's iPhone profits lately, but CFO Luca Maestri says that the company believes DRAM costs have peaked and NAND prices will begin to turn "the corner soon." That would provide Apple with some relief and could help the company increase its gross margin in the future. The company has managed to maintain its margins at around 38% even in the face of rising memory costs. It has been able to do so in part because its services business is a relatively low-cost, high-revenue business. Maestri said the company would continue to manage margins effectively in the future but declined to predict what those margins would be in the next year. (tripp.mickle@wsj.com)

2216 GMT - Tim Cook doesn't believe that the smartphone market has saturated. He said that about 500 million feature phones are still sold around the world and predicted that many of those feature phone owners will upgrade to smartphones. As they do, he expects Apple to benefit from more iPhone sales. "That's a pretty big opportunity," he said. He said that Apple's task is to convince those people upgrading in India and other markets that they should buy an iPhone. "The smartphone market is sort of like the best product market for a consumer product company in the history of the world. That's how I feel about it. It's a terrific market," Cook said. (tripp.mickle@wsj.com)

1733 GMT - CIBC will is raising its 5-year fixed term mortgage rate 15 basis points to 5.14% as of today, the bank announces. It is joining RBC, which raised its 5-year rate 20 basis points, and TD, which raised its rate 45 basis points. Canada's banks have been raising rates as government bond yields have been rising. (vipal.monga@wsj.com; @vipalmonga)

1557 GMT - 11:53 ET - US Commerce Secretary Wilbur Ross said there are many signs the economy is doing "very, very well." Ross, speaking at the Milken Institute Global Conference, pointed to capital expenditures, consumer confidence, deregulation and US tax changes. "Who would've thought workers would've gotten a bonus...solely due to a tax bill that was passed?" he said. Ross added that the confidence extends to workers' job security and more broadly corporations. "Economics is not just numbers; a lot of it is the psychology," he said. Ross added that in some ways deregulation is more important than the tax changes but didn't give further details. (emily.glazer@wsj.com; @emilyglazerwsj)

1549 GMT - The province of Ontario's tax on foreign buyers of homes in the greater Toronto market has worked, and is starting to drive some offshore investors to markets such as Ottawa, Royal Bank of Canada economists say in an analysis. Benchmark house prices in the Toronto area fell slightly in March on a 1-year basis -- a stark contrast to the 30% annual gains recorded in early 2017. RBC said Ontario data indicate the share of home purchases involving foreigners in the Toronto area has declined from 4.7% in April-May of last year to a recent 1.6% share. In contrasts, share of foreign-led house purchases in Ottawa has risen slightly, from 2.1% in April-May of 2017 to a current 2.5%. "When it comes to foreign buyers, there's little to worry about at the moment," RBC said. (paul.vieira@wsj.com; @paulvieira)

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