



## Australian Morning Briefing: U.S. Stocks Mixed

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### GLOBAL STOCK INDEXES:

	LATEST	CHANGE	% CHG
DJ Indus	24016.56	-146.59	-0.61%
Nasdaq	7102.69	+36.42	+0.52%
NYSE Comp	12480.02	-35.34	-0.28%
S&P 500	2648.57	+0.52	+0.02%
Russell 2000	1548.07	+6.19	+0.40%
TSM	27433.44	-19.25	-0.07%
S&P/TSX	15619.59	+11.71	+0.08%
FTSE 100	7520.36	+11.06	+0.15%
FTSE 250	20348.32	+63.27	+0.31%
Xetra DAX	12612.11	+31.24	+0.25%
CAC40	5520.50	+37.31	+0.68%
Nikkei Stock	22508.03	+40.16	+0.18%
Hang Seng	30808.45	+527.78	+1.74%
S&P/ASX 200	6015.20	+32.50	+0.54%

Global Stock Indexes at 1925 GMT.

### INTERBANK FOREIGN EXCHANGE RATES:

	Latest	Previous	% Chg
	Close		
USD/JPY 109.78-79	109.33-34		+0.41
EUR/USD 1.1994-97	1.2077-80		-0.69
GBP/USD 1.3618-20	1.3764-66		-1.06
USD/CHF 0.9963-67	0.9907-11		+0.57
USD/CAD 1.2845-50	1.2840-45		+0.04
AUD/USD 0.7491-95	0.7526-30		-0.46
NZD/USD 0.7005-11	0.7033-39		-0.40

Interbank Foreign Exchange Rates at 1850 GMT.

### TREASURYS:

	PRICE	CHG	YIELD%
U.S. 2 Year	-1/32		2.504
U.S. 5 Year	-2/32		2.814
U.S. 10 Year	-5/32		2.971

### US STOCKS:

The Dow Jones Industrial Average slumped intraday, but pared some of its earlier losses, as investors weighed global trade negotiations, central bank moves and the latest round of corporate earnings results.

The blue-chip index fell 98 points, or 0.4%, to 24066, after dropping as much as 355 points earlier in the session. The S&P 500 added less than 0.1%, and the technology-heavy Nasdaq Composite rose 0.6%.

The major indexes eked out small gains in April on the back of strong corporate earnings after being rocked by a bout of volatility earlier in the year. First-quarter earnings have largely topped expectations, but investors haven't rewarded beats at the same pace as in recent quarters.

Investors have also worried that higher inflation could lead central banks to tighten monetary policy faster than anticipated, while concerns about global trade frictions raised alarms about the global economy.

#### WORLD FOREX:

The U.S. dollar surged intraday after recent economic data signaled stronger growth in the U.S. than other developed nations.

The WSJ Dollar Index, which measures the currency against a basket of 16 others, rose 0.5% to 86.04. The currency rose broadly against the euro, the Japanese yen and the British pound.

The dollar has been buoyed by an array of strong economic data, which has contributed to investors' rising expectations for the Federal Reserve to raise interest rates four times in 2018. Fed funds futures show the market sees a 51% likelihood for that fourth rate increase, up from 32% a month ago, according to CME Group data.

"If you look at monetary policy expectations outside the U.S., they've shifted" and become less aggressive, said Eric Viloria, a currency strategist at Wells Fargo Securities. That, combined with stronger U.S. data has been "contributing to some of the dollar strength."

Higher interest rates tend to attract investors to a currency by offering higher returns.

The dollar was supported Monday after Commerce Department said year-over-year inflation hit the Federal Reserve's 2% target for the first time in over a year in March, a sign of strengthening U.S. inflation pressures that could encourage the Fed to continue lifting interest rates this year.

#### US TREASURYS:

U.S. government bond prices fell, as investors awaited new insight into the Treasury Department's debt-issuance plans.

The yield on the benchmark 10-year U.S. Treasury note settled at 2.976%, compared with 2.936% Monday.

Yields, which rise when bond prices fall, have slipped since the middle of last week when the 10-year yield briefly surpassed 3%.

Many analysts expect yields to keep rising in the coming months as long as the Federal Reserve sticks to its plan of at least three interest-rate increases this year. Many, however, also anticipate bumps along the road as higher yields periodically attract waves of buying.

Along with rising interest rates, Treasury yields have also been kept aloft recently by an expanding federal budget deficit.

#### EUROPEAN STOCKS:

European stocks posted a modest loss, as most of the region's markets were closed for the May Day holiday.

The Stoxx Europe 600 index snapped a three-day win streak and ended marginally lower, down about 0.1% at 385.03, after finishing Monday trade up 0.2%.

The U.K.'s FTSE 100 index rose by 0.2% to 7,520.36, and marked its highest close since Jan. 31, according to FactSet data.

Stock markets were closed across most of Europe in observance of May Day or Labor Day, including in France, Germany, Spain and Italy.

#### ASIAN STOCKS:

Asia-Pacific equities turned higher, as earnings season for the banking sector began.

Most markets in the region were closed for the Labor Day holiday.

In Japan, the Nikkei Stock Average reversed modest early declines to end up 0.2%. Hitachi gained 6% and SoftBank added 0.7% after reporting earnings.

The Japanese benchmark index was helped by a weaker yen.

The stock moves came as U.S. President Donald Trump gave the European Union and some nations outside the bloc more time to negotiate deals that would exempt them from U.S. steel and aluminum tariffs. The tariffs are already in effect against China, Japan, Russia and others. U.S. and Chinese officials are meeting later this week to discuss trade.

Geopolitical uncertainty, combined with holiday-thinned trading, will keep market participants cautious and "ever so vigilant," said Stephen Innes, senior trader with Oanda.

#### AUSTRALIA STOCKS:

Australian stocks logged a solid start to the new month as banks drove the benchmark index to a fresh seven-week closing best.

Now up five out of the last six sessions, the S&P/ASX 200 gained 0.5% to 6015.9. The four largest banks accounted for a big chunk of the day's gain by points, led by a 2.4% advance for ANZ after its first-half results.

Commonwealth Bank also picked up 1.9% despite a critical report released by the prudential regulator. Rio Tinto lagged, slipping 0.2%, after legal action was widened against the miner and former executives.

#### NEW ZEALAND STOCKS:

New Zealand stocks closed down 0.1% as the New Zealand dollar declined to a four-month low against the U.S. dollar, which was rebounding.

The NZX 50 closed down 0.1%, or 7.6 points, to 8435.97.

#### AUSTRALIAN & NZ CORPORATE & ECONOMIC CALENDAR:

All times in GMT

##### Corporate

Wednesday, May 2, 2018

0930/2330/1930	AUS	Rio Tinto Ltd (RIO.LN)	Full year 2017 AGM / Webcast
1000/0000/2000	AUS	Myob Group Ltd (MYO.AU)	Full year 2017 AGM
1000/0000/2000	AUS	Hutchison Telecommunications (Australia) Ltd (HTA.AU)	Full year 2017 AGM
1000/0000/2000	AUS	GPT Group (GPT.AU)	Full year 2017 AGM
1030/0030/2030	AUS	Woolworths Group Ltd (WOW.AU)	Q3 2018 Sales Webcast
1030/0030/2030	AUS	Genworth Mortgage Insurance	Q1 2018 Earnings conference call
1100/0100/2100	AUS	Australia Ltd (GMA.AU)	Full year 2017 AGM
		Smartgroup Corporation Limited (SIQ.AU)	
N/A	AUS	Qantas Airways (QAN.AU)	Q3 2018 Trading statement
N/A	AUS	Woolworths Group Ltd (WOW.AU)	Q3 2018 Sales
N/A	AUS	Genworth Mortgage Insurance	Q1 2018 Results
N/A	AUS	Australia Ltd (GMA.AU)	
N/A	AUS	Newcrest Mining Ltd (NM-T)	Interim 2018 Dividend payment date

##### Economic/Political

Wednesday, May 2, 2018

0500/1700/1300	NZ	Apr	QV Nationwide Residential Property Values
1045/2245/1845	NZ	Q1	Labour Cost Index (Salary & Wage Rates)
1045/2245/1845	NZ	Q1	Quarterly Employment Survey
1045/2245/1845	NZ	Q1	Household Labour Force Survey
N/A	AUS		French President Emmanuel Macron continues his

## visit to Australia

### OIL FUTURES:

Oil prices declined on signs of rising U.S. crude production and stockpiles, despite uncertainty about whether the U.S. will pull out of the Iran nuclear deal.

"Prices have been unable to build on the large gains made" on Monday, which were tied to "increased concerns over the potential restriction of Iranian oil exports after Israeli Prime Minister Benjamin Netanyahu accused Tehran of having a secret plan to build nuclear weapons," said Fawad Razaqzada, technical analyst at Forex.com. The U.S. has until May 12 to decide whether to extend sanction waivers on Iran under a deal that was aimed at curbing Tehran's nuclear activities.

"Make no mistake about it, Iran is a major oil player - the world's fifth and [the Organization of the Petroleum Exporting Countries] third largest producer - and what the U.S. decides will have a big impact on prices," he said, though adding that most of the risks of Trump revoking the nuclear accord are already priced into oil.

June West Texas Intermediate crude oil dropped by \$1.32, or 1.9%, to settle at \$67.25 a barrel on the New York Mercantile Exchange, for the lowest finish since April 17. The U.S. contract scored a 5.6% monthly advance, based on the most-active contract, in April.

July Brent, the international benchmark, fell \$1.56, or 2.1%, to \$73.13 a barrel on ICE Futures Europe, also the lowest settlement in about two weeks. The contract rose 7.7% in April.

### US COMMODITIES:

Gold prices fell for a second straight session to settle at their lowest in two months.

Strength in the U.S. dollar and gains in U.S. Treasury yields dulled investment demand for the precious metal ahead of the Federal Reserve's monetary policy decision due Wednesday. June gold declined by \$12.40, or 0.9%, to settle at \$1,306.80 an ounce - the lowest for a most-active contract since March 1.

Meanwhile, May wheat rose 17 1/4 cents to \$5.29 3/4 a bushel.

### TOP STORIES OF THE DAY:

Slackening Demand for Traditional Cars Hurts Auto Makers

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Detroit auto makers reported mixed U.S. car sales for April as demand for conventional passenger vehicles continues to wither.

Facebook's Boldest Privacy Tool Is on Tap

Facebook will enable users to see and control data it receives about them from outside apps and websites that use the company's ads and analytics tool.

Goldman Sachs to Pay \$110 Million to Settle Forex Case

Foreign exchange traders hurt clients by sharing information about their market positions with rivals, Fed and New York regulators say.

Pfizer Revenue Growth Stalls as Company Mulls OTC Unit's Future

Pfizer's revenue was little changed as the pharmaceutical company examines the future of its consumer-health business.

Hasbro Buying Power Rangers for About \$500 Million

Hasbro is buying Power Rangers and other Saban entertainment brands in a cash-and-stock deal valued at roughly \$500 million.

MetLife Finance Chief Steps Down

MetLife's chief financial officer has stepped down, days after the company announced reduced compensation tied to weaknesses in internal financial controls.

#### Tesla Feels the Weight of Solar Panels

Tesla has another financial worry: Its home solar-panel business is facing slowing installations and could be on the hook for financial promises it made to some investors, just as the U.S. tax law presents new risks to the industry.

#### Tariff Uncertainties Rattle Steel, Aluminum Producers

Shares in U.S. steel producers fell after the Trump administration pushed back a deadline to impose tariffs on imports of steel and aluminum from some U.S. allies.

#### Trump: Details on North Korea Summit Will Be Unveiled Soon

President Donald Trump said his administration would likely announce "in the next couple of days" a location and date for a summit with North Korean leader Kim Jong Un.

#### Former Fed Vice Chair Is Worried About Politics, Not The Economy

A deteriorating global political and strategic environment, and not the economic outlook, is what's keeping Stanley Fischer up at night.

(END) Dow Jones Newswires

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