



## Faster Aussie Wage Growth May Finally be Nigh -- Market Talk

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0206 GMT - NAB says Australia's wage outlook looks good at least on paper. The bank posits that a tightening labor market and looming tax cuts should help, combined with above-trend global economic growth. NAB says that's all consistent with Australia's central bank gradually withdrawing stimulus starting late this year. But the firm also admits nothing will change until hard data actually shows wage growth accelerating. (james.glynn@wsj.com; @JamesGlynnWSJ)

0128 GMT - China guides the yuan 0.3% stronger against the US dollar Wednesday, boosting the Chinese currency to its strongest level in a week. The central bank sets the dollar's midpoint for daily trading at CNY6.2911, compared with CNY6.3071 on Tuesday. The stronger yuan fix comes after the yuan rose against the dollar in Tuesday's trading. One dollar ended at CNY6.2962 as of 0830 GMT, meaning the yuan rose 0.2% on the day. The yuan continued to strengthen another 0.2% against the greenback in late trading. (saumya.vaishampayan@wsj.com; @saumvaish)

0125 GMT - Prices in the New Zealand ANZ Monthly Inflation Gauge fell 0.2% in March, putting the year-over-year figure at 2.9%. Economist Miles Workman says declines for direct credit and cultural services drop last month's drop, the latter reflecting Sky TV's lower prices for new customers. Accommodation services also fell, marking the start of the seasonal retracement from what was a particularly strong tourism season. Prices fell in 8 of 36 subcomponents, the most in 2 years, while 4 saw gains, the fewest since April 2015. Excluding housing the gauge fell 0.4% sequentially and rose just 1.1% on-year. There's nothing in the data that would have the central bank reviewing policy settings. (james.glynn@wsj.com; @JamesGlynnWSJ)

0121 GMT - Australian households remain fairly optimistic despite US/China trade tensions, a consumer-confidence measure showed today. While the reading is consistent with consumption growth staying close to 3%, Capital Economics doubts it will remain at strong for long. With household budgets under pressure from low wage growth and the housing market continuing to slow, the firm suspects consumption increases will slow to 2% by year's end. (james.glynn@wsj.com; @JamesGlynnWSJ)

0116 GMT - Japan's overall funding demand is expected to grow "at a moderate pace," while the Bank of Japan's massive easing program helps monetize such demand, says Takuji Aida, chief Japan economist at Societe Generale. As companies' and the government's ability to spend improves, households will likely get more of a sense that the economy is expanding and deflation is ending on the back of a low unemployment rate and expected rises in wages, he adds. Still, growth in Japan's bank lending marked the slowest pace in 5 years in March due mainly to a lack of large M&A-related funding. (megumi.fujikawa@wsj.com)

0113 GMT - Japan's overall bank lending, excluding credit unions, rose at the slowest pace in 5 years, loan growth by regional banks remains relatively healthy, BOJ data show. Lending by regional banks grew 3.3% on year in March, compared with a 3.4% increase the previous month, as funding demand from smaller companies continues to grow. The BOJ's recent tankan corporate survey also showed the index measuring banks' lending attitude to small firms improved by 1 percentage point in the 3 months to March. (megumi.fujikawa@wsj.com)

0107 GMT - Growth in Japan's bank lending decelerates to the slowest pace since BOJ Gov. Haruhiko Kuroda launched his aggressive easing campaign in April 2013. Lending rose 1.9% on year in March, with lending by major banks rising just 0.3% on year in March--compared with a 0.6% increase in February. While the latest data again show that the central bank's easing campaign hasn't set a fire under bank lending, the subdued figures also reflect a lack of the large-scale acquisitions seen in the previous year. The yen's appreciation has also weighed on amounts of loans made in foreign currencies when converted back to yen. (megumi.fujikawa@wsj.com)

0049 GMT - The Westpac-Melbourne Institute Index of Consumer Sentiment declined 0.6% to 102.4 for April but remained in slightly optimistic territory for a 5th month in staying above 100. That indicates optimists outnumber pessimists. But survey details show Australians are more uneasy about the outlook for their family finances and jobs, though they're a touch more confident about the economy in general. (james.glynn@wsj.com; @JamesGlynnWSJ)

0039 GMT - An 8-year high for South Korea's jobless rate may put more pressure on lawmakers to pass a pending supplementary budget bill on creating more jobs, especially for the young. The seasonally adjusted rate jumped to 4% in March--the highest since February in 2010--from 3.6% a month ago, while the youth jobless rate reached 11.6%, compared with 9.8% a month ago. Last week, the government sent parliament the nearly \$4-billion extra spending plan for approval. But deliberations have stalled as rival parties wrangle in the runup to local elections in June. (kwanwoo.jun@wsj.com; @kwanwoo)

0016 GMT - Japanese machinery orders, a leading indicator of corporate capital expenditures, showed some resilience in February, continuing a firm start to 2018. Core orders, which exclude those in shipping and energy sectors, increased 2.1% from the previous month, beating a 2.5% fall expected by economists surveyed by Quick. Increases were led by steel sector and oil and metal products industries. Today's data indicate some signs of weakness seen in the economy in 1Q, especially a 6.8% drop in industrial production in January, might be temporary and the underlying trend for production remains solid. Compared with a year earlier, core orders rose 2.4% in February. (kosaku.narioka@wsj.com)

2334 GMT - The wait for some kind of inflation spark in Australia is set to drag on. JPMorgan predicts 1Q growth was around 0.4% from 4Q, with downside risks on weakness in fruit-and-vegetable prices, muted auto-fuel prices and modest currency headwinds. It also sees 0.4% for core, keeping year-over-year inflation below the RBA's 2-3% target band. The data come in 2 weeks. (james.glynn@wsj.com; @JamesGlynnWSJ)

2254 GMT -- AUD has continued a recovery against the USD, and most other currencies. AUD has lifted more than 1 U.S. cent since the start of the week. The catalysts for the recovery are the heavy USD and a speech by China's President Xi Tuesday. A recovery in commodity prices and equity markets also supported AUD, says CBA. Xi said China plans to expand imports in part by lowering tariffs for vehicles "considerably" and reduce import tariffs on other products. (james.glynn@wsj.com; @JamesGlynnWSJ)

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