

**Australia's Jobless Rate Treading Water -- Market Talk**

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0346 GMT - Australia's unemployment rate has been broadly steady at 5.5% for several months now, challenging consensus expectations for a gradual improvement, says Morgan Stanley. The March employment report shows there is still substantial slack in the labor market, indicating wage and price pressures are still some way away, and MS remains confident that the RBA will stay on hold through 2018, and into 3Q19. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0338 GMT - Construction, engineering and energy mid-caps in China are where equity investors are likely to get the best exposure revenue-wise to the Belt and Road initiative, says Wendy Liu, Nomura's head of China equity research. From an ASEAN perspective, she says investors are best advised to focus on companies that will benefit from trade flow, tourists and consumption growth. Nomura sees Pakistan getting close to \$62 billion from Belt and Road, mostly in transportation projects, with Bangladesh possibly seeing \$36 billion of investment. That's nearly 15% of the country's current economic size. (ese.erheriene@wsj.com; @Ese_Journo)

0224 GMT - A drop in high-end Hong Kong property sales by developers doesn't mean that part of the market is in trouble, says Centaline. The real-estate agent notes while fewer property launches in 1Q resulted in sales of new residential flats fetching more than HK\$20 million (\$2.56 million) fell 14%, resales rose 2.1% to a 5-quarter high of HK\$21 billion thank to low mortgage rates and an improving local economy. The overall number of luxury transactions topped 1,000 for a 2nd quarter, adds Centaline, evidence that activity remains strong. (john.wu@wsj.com)

0159 GMT - Australian business conditions index in 1Q increased by 2 points to +17, its highest level since 2007, while the Business confidence index was unchanged at +7 index points, a little above its historical average, according to NAB. Alan Oster, NAB Group Chief Economist says business conditions reached a new post-Global Financial Crisis high in this quarter's survey and conditions remain strong, reflecting robust trading conditions, profitability and employment growth. (james.glynn@wsj.com ; @JamesGlynnWSJ)

0147 GMT - A soft jobs report from Australia even as March unemployment remained at 5.5% in seasonally adjusted terms. There was only 4,900 jobs added last month, 1/4 of expectations, with full-time employment down 19,900. The Aussie dollar ticked down after the report, and it appears some steam is coming out of the job market after a stellar 2017. (james.glynn@wsj.com; @JamesGlynnWSJ)

0127 GMT - China fixed the yuan slightly weaker against the dollar following the greenback's modest gains overnight. The PBoC set the dollar's reference rate at CNY6.2832, compared with CNY6.2817 yesterday. One dollar bought CNY6.2854 as of 4:30pm in China on Wednesday, which helps determine the next day's fix. (kenan.machado@wsj.com)

0112 GMT - New Zealand inflation data show consumer prices rose 0.5% in the first quarter--a touch higher than market expectations--and 1.1% from a year earlier, in line with economists' expectations, reaffirming ASB's view that the central bank will leave the official cash rate on hold "well into 2019." The data highlighted that tradable inflation remains the key drag on inflation, falling 0.1% over the quarter to be 0.4% lower on an annual basis. They add the RBNZ "is likely to get some comfort from seeing domestic inflation pressures lifting." (rachel.pannett@wsj.com; @rachelpannett)

0058 GMT - The combination of increasing supply and weakening demand against the backdrop of falling inventory means easing momentum in China's property price, says JPMorgan. It's good news for the government. But even so, the investment bank predicts 5% growth in selling prices this year, and it thinks

listed developers will log 30% sales growth for this quarter to remain on track with full-year forecasts. (john.wu@wsj.com)

0019 GMT - Hong Kong's de-facto central bank further accelerated its buying of local dollars overnight as the currency continues to test the weak end of its trading band with the greenback. During New York trading Wednesday, the HKMA bought a combined HK\$17.63 billion (\$2.25 billion) in multiple moves, the most yet for a day since action started Thursday and 20% above Tuesday's total. So far, the HKMA's interventions have totaled more than HK\$51 billion. (chester.yung@wsj.com; @chester_yung)

0017 GMT - Turnbull says there's unlikely to be serious damage to Australia's A\$173 billion (\$135 billion) trade relationship with China despite a diplomatic rough patch due to fears China is meddling in Australian affairs. That as Chinese ambassador Cheng Jingye charged that 6 months of "systematic, irresponsible, negative remarks" about China could have an "undesirable impact" on trade. The Aussie PM admits there are some tensions, but contends the countries' relationship is generally strong. Turnbull is in London at a meeting of Commonwealth nations. He also met Vanuatu's PM and says the tiny Pacific nation has ruled out hosting a Chinese naval-supply base on Australia's eastern-Pacific doorstep. (rob.taylor@wsj.com)

2346 GMT - The sharper-than-expected 1Q slowdown in New Zealand's CPI isn't that worrying, says Capital Economics, as part of it was due to the introduction of fee-free 1st-year territory education. But it doesn't see an interest-rate hike coming until at least 2H19. (james.glynn@wsj.com; @JamesGlynnWSJ)

2325 GMT - While 1Q CPI rose 0.5% in New Zealand, it was up just 1.1% from a year earlier, the least in a year and a half. Westpac doesn't see the softness lasting as so-called tradables fell a further 0.1% last quarter and 0.4% on-year. A lower New Zealand dollar the past year will eventually give a boost to tradables prices, the bank says. But it doesn't see CPI reaching the upper half of the central bank's 1-3% target range any time soon. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

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