

**Aussie Vehicle Sales Still in Top Gear -- Market Talk**

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0523 GMT - Aussie new-vehicle sales remain near record highs, says the Federal Chamber of Automotive Industries. Volume in the year through April rose 2.9% from the prior 12 months to 1.2 million units. Commsec chief economist Craig James says that highlights record-strong business conditions and improving vehicle affordability. (james.glynn@wsj.com; @JamesGlynnWSJ)

0512 GMT - CBA is facing how things currently stand and pares back its optimism on the Aussie dollar. Its year-end target has moved to US\$0.78 from US\$0.83 amid slower global economic growth and the investment bank no longer thinking the RBA will raise interest rates this year. Then there's also the greenback's recent rally to 2018 highs, which has pushed the Aussie down to US\$0.7525. Richard Grace, the global head of FX strategy at CBA, says it's difficult to get bearish on the Aussie when the global economy is still firm, Australia GDP is set to rise 3% both this year and next and interest rates eventually starting to rise there. (james.glynn@wsj.com; @JamesGlynnWSJ)

0506 GMT - Australia's trade surplus widened from A\$1.3 billion in February to A\$1.5 billion in March, the largest surplus in ten months. In the first three months of the year, there have been surpluses of over A\$1 billion each month, a result not witnessed for a year, says St. George. Exports lifted 1.4% in March, which was the fifth consecutive monthly increase. Net exports are likely to contribute to growth in the March quarter, the bank adds. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0227 GMT - With the Hong Kong dollar back toward to weak end of its trading band with the greenback, money getting freed up on unsuccessful orders for Ping An Healthcare's IPO could add to the currency's pressure, says UOB Kay Hian's Ivan Ip. Also pressure of late has been the widened interest-rate gap between the two locales, HKMA chief Norman Chan said this morning. But with capital flowing out of the Hong Kong dollar, market liquidity should tighten gradually and strengthen the currency, he adds. The dollar is around HK\$7.8490. (kenan.machado@wsj.com)

0221 GMT - Australia's international trade data for March suggests that it will probably be one of the few major economies where GDP growth strengthened in 1Q, says Capital Economics. The rise in the trade surplus from A\$1.4 billion to A\$1.5 billion left it at the highest level in a year and the surpluses in the first two months of the year were revised up by a cumulative A\$0.7 billion. CE says net exports may have added about 0.5 percentage points to GDP growth in 1Q. And the recent fall in the dollar to US\$0.75 will provide a nice kick further ahead too, it adds. (james.glynn@wsj.com ; @JamesGlynnWSJ)

0218 GMT - Next week's monetary-policy statement from New Zealand's central bank will reveal a great deal about new Gov. Adrian Orr's style and how things will be affected by the new agreement with the government on the RBNZ's mandate, says Westpac. It's not expected a rate-outlook change, but if one occurs it's liable to be in the direction of slightly earlier hikes than previously signaled. (james.glynn@wsj.com; @JamesGlynnWSJ)

0159 GMT - Housing affordability in Australia for new mortgage borrowers, measured as the proportion of household income needed to meet payments, has improved marginally the past year because lower interest rates and moderate income growth outpace higher home prices, says Moody's. It expects housing affordability to continue improving moderately because of recent softening of housing-market conditions, particularly in Sydney and to a lesser extent Melbourne. (james.glynn@wsj.com; @JamesGlynnWSJ)

0124 GMT - China guided the yuan to its weakest level against the dollar since Jan. 24 amid continued broad gains for the greenback. The PBoC fixed the dollar's midpoint for daily trading at CNY6.3732, versus CNY6.3670 on Wednesday. Analysts at Commerzbank hadn't expected the yuan to weaken so much,

according to their estimate of the daily fix. One dollar bought CNY6.3602 at the close of Wednesday's trading session in China. (saumya.vaishampayan@wsj.com; @saumvaish)

0058 GMT - Kenanga Research sees a dreary outlook for Malaysia's manufacturing sector in the wake of yesterday's PMI report while muted April trade numbers from high-tech powerhouses South Korea and Taiwan are an indication that the global tech upcycle has peaked. The firm says as heightened China-US trade tension persist, Asian manufacturers could scale back production as a precaution. For now, Kenanga still sees Malaysia GDP rising 5.5% this year, but that is now pending the outcome of the US-China trade talks and rising uncertainties on the back of next week's election. (yantoultra.ngui@wsj.com; @yantoultra)

0011 GMT - Recent data has show a renewed decline in Australian house prices and an easing in sales at auction. ANZ says renewed weakness in house prices is not something it has factored into its forecasts, which matters because of the impact that house prices have on household wealth and thus the household saving rate. ANZ says it is mindful that the housing market and consumer spending are the key downside domestic risks. A further easing of auction clearances would be a concerning development, it adds. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0002 GMT - There was a bit of a risk-off move after the Fed statement, with gold and Treasury prices initially rallying and the dollar pulling back. But those moves didn't last, leaving gold and bonds essentially where they were pre-statement and the dollar pushing on to session highs. Stocks, though, didn't recover. They peaked for the day soon after the statement after moving little Wednesday ahead of the release. Equities steadily declined into the close, showing no reversal like other asset classes. But there's always tomorrow. S&P 500 futures are up a point. (kevin.kingsbury@wsj.com; @kevinkingsbury)

2318 GMT -- A strong expansion in Australian service sector activity was recorded at the start of 2Q, says CBA. Employment growth edged up to a seven-month high amid another month of marked new business growth. Greater staffing levels helped ease capacity pressures but also contributed to a rise in operating costs, encouraging firms to increase selling charges. Over all, business confidence remained firmly positive, it adds. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

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