

HD AUD/NZD Up as Australian Business Confidence Rises -- Market Talk

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0146 GMT [Dow Jones] The Aussie dollar jumped as high as 1.0972 from 1.0949 against its New Zealand counterpart after a rise in Australian business confidence to 11 points in July from eight points in June, according to NAB's monthly business survey. Further upside in spot AUD/NZD may encounter near-term resistance at 1.0982 (daily Tenkan line), and then at 1.1052 (Wednesday's reaction high). Support is expected at 1.0919 (Thursday's low, near middle 20-day Bollinger Band). Spot AUD/NZD is at 1.0966 versus 1.0947 in late New York trade Monday. (jerry.tan@wsj.com)

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0141 GMT [Dow Jones] The Nikkei is up 0.5% at 15201.61 on light volume--under 600 **million** shares traded thus far--ahead of the start of the Wednesday-to-Friday annual 'Obon' summer holiday period. "Quarterly earnings have largely come in very decently across the board--about 10% ahead of analysts' forecasts," says CLSA **equity** strategist Nicholas Smith. "This certainly bodes well for guidance upgrades after the fiscal half and third quarter. Fundamentally speaking, stock prices should remain well-supported." Tech shares are broadly higher, with Fanuc (6954.TO) up 0.4% at Y17,540 and Tokyo Electron (8035.TO) up 1.2% at Y6,580. (bradford.frischkorn@wsj.com)

0134 GMT [Dow Jones] Crude-**oil** futures are slightly lower in early Asian trade Tuesday after diverging overnight as markets remain complacent about events in Ukraine and Iraq. Nymex WTI crude settled 43 cents higher in floor trade, while Brent crude lost 34 cents, narrowing the Brent-WTI spread to \$7/bbl. The Brent-WTI spread is currently at \$6.59/bbl. "Expectations of further supply tightening in the U.S. was the main support," ANZ says. "If crude inventories did decline as predicted, it would be the eighth fall in nine weeks," it says. The API will publish weekly **oil** inventory data for the U.S. later Tuesday and analysts expect another drop. Nymex crude is down 17 cents at \$97.91/bbl, Brent crude is down 18 cents at \$104.50/bbl. (eric.yep@wsj.com)

0119 GMT [Dow Jones] The Australian dollar is flat against the yen in early Asian trade Tuesday after slipping as low as 94.55 from 94.63 late Monday after the ANZ Bank -Roy Morgan Research 's measure of consumer confidence dropped by a sharp 5.7% to 108.5 in the week ended Aug. 10. The pair returns to 94.63 as Tokyo stocks advance, with Japan's Nikkei recently up 0.60% at 15220.96. However, the AUD/JPY spot rate is still in the sell zone of the 20-day Bollinger Band marked by the one- and two-standard deviation lower bands. Further downside in the Aussie/yen cross may encounter support at 94.38 (lower two-standard deviation Bollinger Band), and then at 93.88 (Friday's low, near the 200-day moving average). Resistance is at 94.75 (daily Ichimoku cloud base), and then at 94.86 (Monday's high, roughly matching the lower one-standard deviation Bollinger Band). (jerry.tan@wsj.com)

0118 GMT [Dow Jones] Having lost its bullish technical bias on Monday, and with the daily Ichimoku Cloud resistance zone now looming closer, USD/MYR may consolidate lower toward 20-day Bollinger mid support at 3.1870. The U.S. dollar has slipped along with other safe-haven assets such as **gold** and the Japanese yen. Risk appetite is still weak but the height of risk aversion has passed, allowing Asian currencies in general to stage a light rebound. Malaysia's June industrial production data released Monday soundly beat expectations, rising 7.0% versus estimates for 4.9% on-year growth. The sharp improvement may prod the Malaysian central bank to consider another rate hike come November--which

would boost the ringgit as it did in July. USD/MYR is at 3.1960 vs. Monday's close of 3.1965. (ewen.chew@wsj.com)

0118 GMT [Dow Jones] **Hong Kong** equities are seen pressured on Tuesday as a rally in index futures pauses following gains on Monday for global benchmarks. The Hang Seng Index rose 1.3% yesterday to 24,646.02, while index futures fall 0.4% ahead of the market open. Little data is scheduled for release today, though credit data from the People's Bank of **China** is due before the end of the week. "We expect lending data for July, which could be released anytime from now on, to show that growth in outstanding loans and the PBOC's broader measure of credit, TSF, have roughly stabilized," says Capital Economics. Meanwhile traders are taking positions as corporate earnings season continues, with index components Tencent (0700.HK) and Cathay Pacific (0293.HK) due to report on Wednesday. (gregor.hunter@wsj.com; Twitter: @gregorhunter)

0116 GMT [Dow Jones] The Singapore dollar is steady after second-quarter gross domestic product rose more than expected. Data released Tuesday showed GDP grew 2.4% year over year compared with earlier estimates for 2.3% growth. The data typically has little impact on the Singapore dollar. USD/SGD retains its bullish technical bias within the Bollinger uptrend channel--aimed at 1.2531--unless it ends Tuesday below 1.2481. The slight rise of the U.S. dollar index overnight could ensure the uptrend channel is kept in play. USD/SGD is now 1.2498 from its Monday close of 1.2501. (ewen.chew@wsj.com)

0115 GMT [Dow Jones] Growth in Japan's corporate inflation rate slowed in July from a year earlier, as price-boosting factors such as a weak yen and higher **energy** prices continued to wear off. Data released by the Bank of Japan on Tuesday showed the wholesale price index rose 4.3% from a year ago, down from a 4.6% gain the previous month. Factoring out the impact of an increase in sales tax in April, the index was plus 1.5%, down from 1.7%. A BOJ official says prices "remain on a moderate uptrend" as moves among firms to broadly pass higher costs onto their products continue. "But looking ahead, we are seeing both positive and negative factors," the official adds. (tatsuo.ito@wsj.com)

0046 GMT [Dow Jones] Deutsche Bank trims its Crown Resorts (CWN.AU) target by 5% to A\$18.40, but keeps its buy rating. It says the lower-than-expected June quarter result from the Melco Crown (MPEL) joint venture was a minor negative factor for Crown, but it is still trading at a 20% discount to its valuation. CWN last up 0.9% at A\$14.80. (david.rogers@wsj.com; Twitter: @DavidRogersWSJ)

0022 GMT [Dow Jones] Downward traction in NZD/USD has stalled ahead of 0.8400 in the face of strong technical resistance. To progress lower, a sustained rise in FX volatility or another bout of USD strength is needed, says Bank of New Zealand in a currency update. "While positive data flow will be supportive, another hawkish (or less dovish) missive from the Fed is the crucial missing ingredient." The bank says it is looking to the Fed's annual academic symposium at Jackson Hole as a "possible flashpoint." A NZD/USD break below 0.8400 might take time--perhaps as long as September--but the market has much appetite for NZD/USD above 0.8600, the bank adds, "and importers should consider any foray above that level as good opportunities." (lucy.craymer@wsj.com; Twitter: @lucy_craymer)

0020 GMT [Dow Jones] The Australian dollar is struggling to recover from lows seen as a result of last week's higher-than-expected unemployment data. Locally, the announcement of NAB business confidence data at 0130 GMT will be key, says Tom Williams, FX analyst at GOMarkets. A positive reading from the July survey would mark a 12th consecutive month above a reading of 0, indicating an optimistic business, he adds. (james.glynn@wsj.com; Twitter @JamesGlynnWSJ)

0014 GMT [Dow Jones] Nickel's surge could spark a lift in mine production by encouraging resources companies to rethink previously shuttered **operations**, says Commonwealth Bank of Australia analyst Lachlan Shaw. Nickel prices have rallied this year following Indonesia's decision to ban mineral **ore** exports. Shaw thinks the mothballed Avebury mine in Tasmania, recently sold by MMG Ltd. to QCG Resources, may be restarted, "while Poseidon Nickel Ltd. (POS.AU) is planning to resume production from its mine in Western Australia. High nickel prices may also incentivize Panoramic Resources Ltd. (PAN.AU) to restart **mining** at its Copernicus deposit," he says. LME nickel closed Monday up 0.5% at US\$18,567/ton. (rhiannon.hoyle@wsj.com; Twitter: @RhiannonHoyle)

(END) Dow Jones Newswires

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