

Major upcoming global economic releases and events

DATE	DATA/EVENT	PREVIOUS	CONSENSUS
20-Nov-18	RBA meeting minutes	NA	NA
20-Nov-18	US housing starts m/m (Oct)	-5.3%	1.6%
21-Nov-18	US durable goods orders m/m (Oct)	0.8%	-2.5%
21-Nov-18	US existing home sales m/m (Oct)	-3.4%	1.0%
22-Nov-18	Japan core inflation rate y/y (Oct)	1.0%	1.0%
22-Nov-18	Europe consumer confidence (Nov)	-2.7	-3.0
23-Nov-18	Europe composite PMI (Nov)	53.1	53.0
23-Nov-18	US composite PMI (Nov)	54.9	56.0

Source: Bloomberg, UBS Global Research, Tradingeconomics.com

What to watch this week



Australia

Australian data prints were on the positive side last week. The wage price index was 0.6% higher in Q3, bringing the annual increase to 2.3%, the fastest growth rate since 2015. Consumer confidence also increased, pushing 2.8% higher in November and moving further above the neutral (100) level to reach 104.3. Consumer confidence is currently defying a declining housing market and recent equity market declines, partly due to the strong labour market, which was affirmed in the release of the October data last week.

The minutes from the latest RBA meeting will be published this week. The two key factors for monetary policy at the moment are a cooling housing market and strong labour market conditions. Sentiment in the minutes is likely to show an ongoing positive view of the Australian economy with no major concerns over the housing market.

There are no major data releases of note in Australia this week.



US

The US saw a relatively sparse calendar of data releases last week. Inflation was the highlight, matching consensus expectations in October, with the headline figure at 2.5% and the core measure at 2.1%. Later in the week retail sales data was stronger than expected, posting a 0.8% gain in October and showing that the US consumer landscape remains encouraging.

Following the mid-term elections, which were a key focus for investors globally, we have seen a relatively quiet period in the US. This week is shortened by the Thanksgiving holiday on Thursday but the period ahead has the potential to see Trump return to the headlines as trade negotiations begin with China. The world will be watching to see if tensions escalate further or whether a deal can be struck.

Housing data, durable goods orders and PMI numbers are the highlights in another quiet period for the US this week.



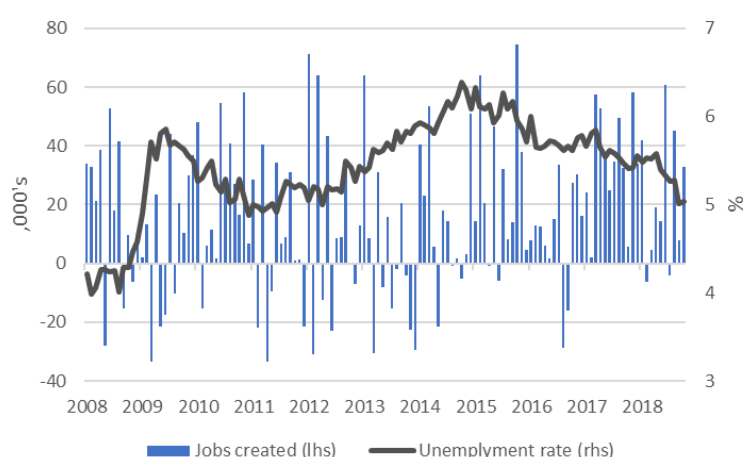
Europe

A quiet week of data in Europe saw economic sentiment miss expectations in November while industrial production remained in negative territory in September. In the UK, labour market conditions remain tight, with the unemployment rate at 4.1%, while core inflation printed in line with expectations at 1.9% in the year to September.

There were some significant Brexit developments last week. A draft divorce proposal was agreed upon by UK and EU negotiators and Theresa May subsequently gained the support of her Cabinet for the agreement. Almost immediately after that positive development a number of senior UK ministers resigned, most notably UK Brexit minister, Dominic Raab. It appears extremely unlikely that that deal will gain the necessary UK parliamentary support to proceed.

A quiet week ahead sees consumer confidence and PMI data released in Europe.

Chart of the week— Australian labour market data



Australian labour market data was stronger than expected when reported last week. Just under 33k jobs were created in October and the September numbers were also revised a little higher. The underlying details was also strong, with full-time jobs accounting for the entire gain. The unemployment rate, which had been expected to tick higher to 5.1%, remained at 5% in October.

Looking forward, the labour market is expected to remain strong and the RBA recently revised unemployment expectations lower. The current picture supports the notion that the next move in interest rates will be higher, however we will need to see further improvements in wage growth and inflation before any move.

Source: Bloomberg.

Financial market movements

INDICATOR	AS AT 16-NOV-18	1 WEEK CHANGE	1 YEAR CHANGE	3 YEAR CHANGE (ANNUALISED)	5 YEAR CHANGE (ANNUALISED)
EQUITIES					
		%	%	%	%
S&P/ASX 200 Index	5,730.6	-3.23	-3.81	3.01	1.37
US S&P 500 Index	2,736.3	-1.61	6.10	9.55	8.88
Europe STOXX 600 Index	357.7	-2.20	-6.80	-2.08	2.09
UK FTSE 100 Index	7,013.9	-1.29	-4.97	3.48	0.93
Japan TOPIX Index	1,629.3	-2.61	-7.62	0.60	5.67
MSCI World ex-Australia Index	2,071.1	-1.49	0.11	6.18	4.94
FIXED INCOME					
	%	BP	BP	BP	BP
Australian 90-day bank bill yield	1.94	0.00	0.20	-0.02	-0.05
Australian 10-year bond yield	2.66	-0.08	0.09	-0.09	-0.31
US 90-day bank bill yield	2.31	0.01	1.09	0.73	0.44
US 10-year bond yield	3.06	-0.12	0.69	0.26	0.07
UK 10-year bond yield	1.41	-0.08	0.10	-0.18	-0.27
German 10-year bond yield	0.37	-0.04	-0.01	-0.05	-0.27
COMMODITIES					
		%	%	%	%
Gold	1,223.4	1.13	-4.32	4.15	-1.06
Oil—West Texas Crude	56.5	-6.20	2.39	10.59	-9.66
Iron Ore Spot Price Index	73.0	-1.44	20.78	16.22	-11.70
CURRENCIES					
		%	%	%	%
AUD:USD	0.73	1.95	-3.14	0.55	-4.97
EUR:USD	1.14	1.76	-2.71	2.07	-3.35
GBP:USD	1.28	-0.05	-2.97	-5.65	-4.44
USD:JPY	112.83	-0.89	0.19	-2.80	2.41
NZD:USD	0.69	2.34	0.85	1.51	-3.88
CHF:USD	1.00	1.11	-0.64	0.43	-1.84
AUD:EUR	0.64	0.17	-0.45	-1.49	-1.66
AUD:GBP	0.57	1.99	-0.19	6.57	-0.54
AUD:JPY	82.51	1.04	-2.97	-2.27	-2.67

*BP = Basis Point, Source: Bloomberg

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