

Chart A: Domestic Interest Rates

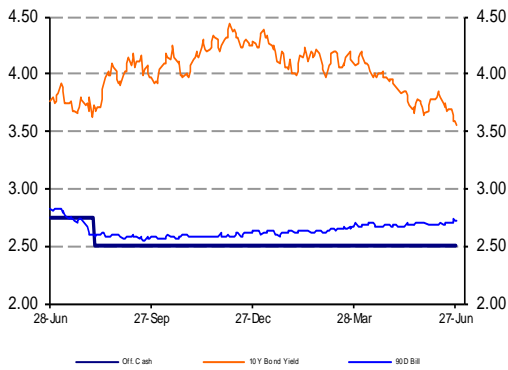


Chart B: Share Price Index

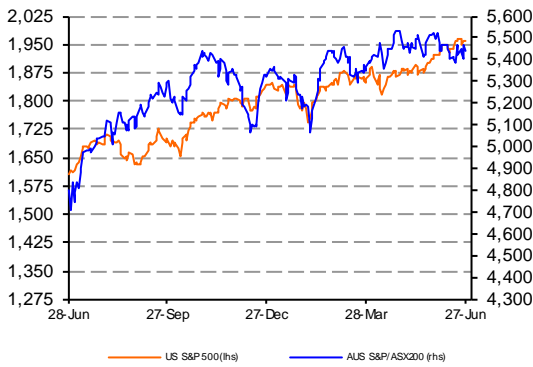


Chart C: Exchange Rate

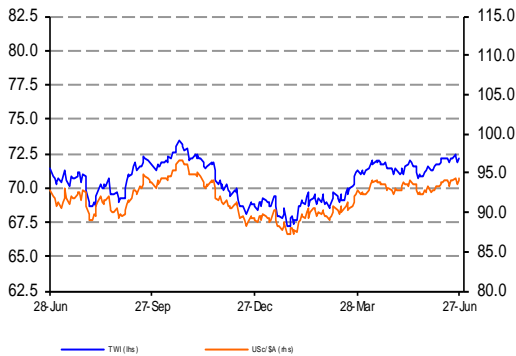
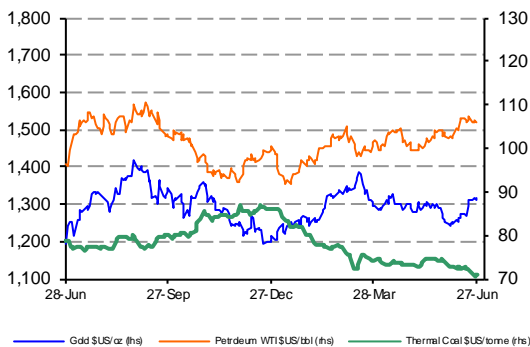


Chart D: Commodities



Domestic Data Releases

ABS Job Vacancies (number, Y%ch, nsa) showed total job vacancies were up 36.4% through the year to the May quarter 2014, nationally total job vacancies y were up 2.7% in the same period.

Markets

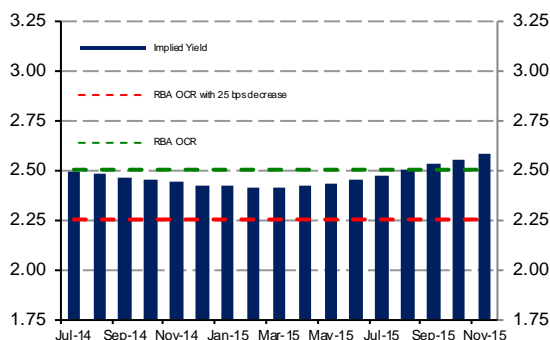
The **Australian stock market** rose 0.5 per cent on the previous Friday, while the **New York Stock Exchange** fell 0.1 per cent.

	Value	Change on Year	Change on Week
S&P 500	1,961.0	22.1 %	-0.1 %
ASX200	5,445.1	13.4 %	0.5 %
Australian Dollar (USD)	0.9437	1.7 %	0.3 %
TWI	72.20	1.1 %	0.1 %
Oil (USD/bbl)	105.84	9.6 %	-1.3 %
Gold (USD/oz)	1,317.50	10.5 %	0.4 %
Thermal Coal (USD/tonne)	70.71	-10.3 %	-1.6 %
Australian 10-yr bond	3.55%	-21.6 bps	-14.2 bps
US 10-yr bond	2.52%	6.0 bps	-11.0 bps
Australian 90-day bill	2.50%	-25.0 bps	0.0 bps

Upcoming Domestic Data Releases (30/6 – 4/7)

- The **ABS** will release data on international trade, engineering construction, retail trade and building approvals
- The **RBA** will release financial aggregates and interest rate decision.
- The **TD-MI** will release the inflation gauge
- The **AIG** will release the PMI, PSI and PCI surveys.
- The **HIA** will release new home sales.

Chart E: Interest Rate Expectations



Market Interest Rate Expectations

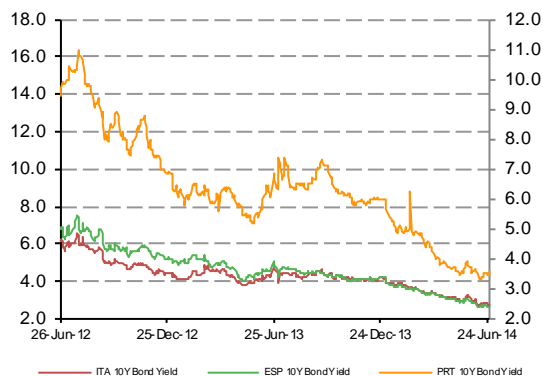
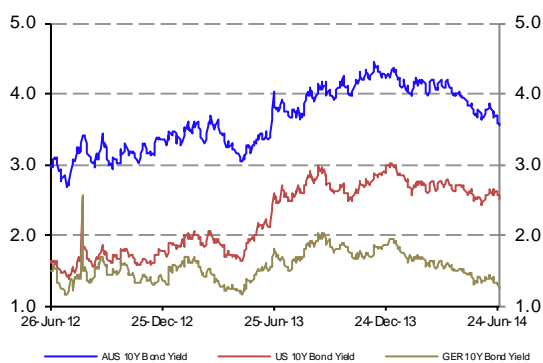
Current market expectations, as shown by the implied yield curve on ASX 30 day interbank cash rate futures, favour no change by the RBA at its next meeting. The market expects the next increase in cash rate not until after November 2015.

According to the ASX target rate tracker, as of 27 June, there is a 98% expectation that the RBA will keep the cash rate at 2.50% at its 1 July policy meeting.

International Bond Yield Spreads

10-yr bond yield	Yield	Change on Year	Change on Week	Spread on 10-yr US bond week end	Spread on 10-yr US bond year ago
Australian (AUS)	3.55%	-21.6 bps	-14.2 bps	103.1 bps	130.7 bps
United States (US)	2.52%	6.0 bps	-11.0 bps	-	-
Germany (GER)	1.25%	-44.9 bps	-8.0 bps	-126.8 bps	-75.9 bps
Italy (ITA)	2.72%	-182.4 bps	-11.6 bps	19.8 bps	208.2 bps
Portugal (PRT)	3.57%	-282.1 bps	5.7 bps	105.0 bps	393.1 bps
Spain (ESP)	2.63%	-208.9 bps	-10.9 bps	10.9 bps	225.8 bps

Charts F & G: International Bond Yields



Key International Data Releases

- US: consumer confidence rose to 85.2 index points in June.
- EMU: HSBC PMI fell to 51.9 in June.
- China: HSBC PMI rose to 50.8 in June.
- Japan: CPI grew at 3.7% annually in May.

Upcoming Key International Data Releases (30/6 – 4/7)

- US: ISM manufacturing, Fed minutes for FOMC, ISM non-manufacturing, Non-farm payrolls and unemployment rate
- UK: BoE rate announcement.
- Japan: industrial production%.