

Transcript of Chris Caton's Markets Update – 17 August 2010

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Chris Caton:

Good morning, this is Chris Caton, the chief economist of BT Financial Group. It's Tuesday and that makes it 17 August and this is my market report for trading offshore for the session on Monday 16 August and this will be a very short report because it was a very quiet day.

It was the slowest session in the US all year and the market did absolutely nothing. That was true incidentally also in Europe. At the end of the session in Europe, the FTSE was up by 0.01% and the DAX was flat.

Over in the US, the Dow was up by 0.01% and the S&P was down by 0.01%. So why would you waste your time giving reasons why the market did absolutely nothing? There were some minor economic data with the so-called Empire State manufacturing survey. That did about what was expected. There was an NAHB home index in the US which actually fell and was a bit weaker than expected. So the data certainly didn't help the US market, but it did absolutely nothing.

Now I haven't seen the SPI futures for Australia today, but I can't believe that it's signalling that we're going to be either up or down significantly at the opening. So as I said, no point when nothing's happened in spending too long analysing it.

We've got important event today, a speech by Glenn Stevens, the governor of the Reserve Bank although the topic is not directly germane to the current state of policy. But there's always a Q&A, so you never know what he may be tempted to reveal in the Q&A. So as I said, there's no real point in spending a lot of time analysing the state of play when nothing happens, so I'm not going to.

Market was flat everywhere you look and incidentally the Australian dollar right now around US0.898.

Thank you for listening, I'll be back with you tomorrow morning. Have a good day.