

Transcript of Andrew Dowie's Markets Update – 7 January 2011

Note: this is a direct transcript of a recorded update and has not been reviewed for fluency in the written form. These commentaries cover technical themes and are designed to provide a snapshot of current financial markets. If you are an investor we recommend you speak with a financial adviser before making any investment decisions. These commentaries have been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs.

Andrew Dowie:

Good morning. This is Andrew Dowie from Advance Asset Management with the rundown of the economic data release for yesterday, Thursday 6 January, in the United States.

We had the initial jobless claims for the week ending 1 January. Now, the consensus estimate here was for a 408,000 figure, and we got a 409,000 figure. With the previous week's release revised up from 388,000 to 391,000 - which, incidentally, was a two year low - jobless claims increased by 18,000 on the week.

There is a lot of noise and distortion about in this data release over the Christmas period. If we look at the four week moving average, it dropped from 410,750, the lowest level since July 2008.

Just to reiterate yesterday's point with regards to tonight's big employment release, consensus is for 150,000 increase in [unclear] payrolls, with December's unemployment rate set to decline from November's 9.8%, to 9.7% which, if it happens, will be the first decline in the jobless rate for six months.

END OF TRANSCRIPT