Transcript of Chris Caton's Markets Update – 5 April 2011

Chris Caton:

Good morning, this is Chris Caton, the chief economist at BT Financial Group. It's Tuesday 5 April and this is my very, very short market report for trading on the Monday session, that is, for 4 April.

The report is very short because almost nothing happened. The factors driving that almost nothing happened were very hard to find. Europe was close to flat and same thing occurred in the United States. The S&P in fact unchanged and the Dow up by 0.2%. There was no economic news to drive the market, although about three hours from now, Ben Bernanke speaks and that will happen before our market opens, so if there is any dramatic reaction to that, our market may well be affected at the opening, but I would doubt it.

All that you can really say about the US is no economic news driving it and the screen chatter that I have read says that materials were up and tech was down and that's about as far as it goes.

Australia does get some economic news today. I believe it's the balance on goods and services for the month of February, which should show a small surplus than we've been used to because of the decline in coal exports because of the floods. But the market will roundly ignore that.

Of course at 2:30, the Reserve Bank announcement will come after its monthly meeting. There is almost no chance that interest rates will have been changed today. As always, it will be interesting to see what the Reserve Bank has to say, particularly about events in Japan and what they think that means for the global economy and also the Australian economy.

But as I said, a pretty dry report, there's not a lot you can do about that when nothing happens. So I'll leave you to get on with the rest of your day. My colleague will be back tomorrow and Thursday morning and I'll be back with you again on Friday. Thank you for listening - I almost forgot - the Australian dollar for those who care about that: US$1.036 as I speak. Thank you for listening, have a great day.

<u>END OF TRANSCRIPT</u>