

## The Fed speaks out on QE while the RBA keeps a watchful eye

- A procession of Fed speakers have commented on the prospects for QE2 – currently scheduled to expire in June.
- The RBA is likely to leave rates unchanged tomorrow, but the medium term outlook is still strong.
- NZGBs trade well above the NZ swap curve because of increased issuance and a lack of swap paying.

Australian and US bond yields ebbed and flowed over the past week, but finished the week slightly higher. The main drivers for both markets were public comments by various US Fed Governors over how and when to exit US quant easing. There were some very hawkish remarks (also a few dovish ones), but because the market is yet to hear a change in tone from Bernanke, the outright moves in yields were limited.

The US 10y yield rose 2bp over the week, which was a good performance considering the bounce in many risk assets (including the AUD to a new cyclical peak of USD1.04). Key economic data on Friday had little impact on US rates. Payrolls showed a healthy 216k gain in March and the unemployment rate fell 0.1% to 8.8%. The Manufacturing ISM fell 0.2 to 61.2, but remains high in an absolute sense.

The Australian curve steepened slightly. The 3y and 10y yields rose 3bp and 5bp respectively. Like the US, Australian rates weren't affected too much by mixed economic data. The February monthly data showed retail sales grew 0.5% (cons. +0.4%), building approvals fell 7.4% (cons. +4.0%) and private sector credit grew 0.5% (cons. +0.3%).

The market continues to price an extended pause from the RBA, with a bias towards rate cuts in the coming months. (Later in the year, the pricing favours hikes.) In an article on page 3, Alex Stanley takes a look at RBA pricing ahead of the April meeting tomorrow. We continue to think short end rates are under-pricing the risk of further rate hikes and maintain our paid 6m\*1y swap position.

Across the Tasman, New Zealand rates moved higher over the last week, following the global sell-off. The NZDMO announced a NZ\$1.5bn increase to their 2010/11 bond program to NZ\$15bn. New Zealand bond yields continue to trade well above swap. Philip Brown examines the NZ bond/swap spread on page 5.

QTC have announced a new benchmark SG bond. Philip Brown previews the bond on page 9.

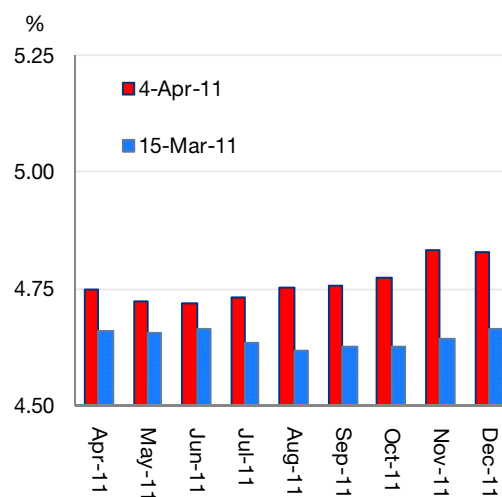
Looking ahead, the RBA meeting tomorrow is the first key event for the Australian market. We're expecting no change in the cash rate but look for the statement to contain a bias for eventual tightening. A key reason we look for higher Australian rates eventually is the strong labour market. CBA Economists expect Thursday's data to confirm this strength and are forecasting a 25k rise in total employment and a 0.1% fall in the unemployment rate to 4.9%.

The US data calendar is a little lighter this week. On Wednesday (Sydney time), the Non-Manufacturing ISM (consensus 59.5) and the March FOMC minutes are the key. The minutes aren't likely to cause much of a market reaction, unless they hint QE might end early. On Friday night, wholesale inventory data is released (consensus +1%).

### Contents:

Key Positions.....	2
Market pricing for the RBA cash rate still looks too low.....	3
The New Zealand bond-swap spread.....	5
New QTC benchmark bond announced.....	9
Key Views.....	10
CBA Forecasts:.....	11
Calendar – April 2011.....	12

### Market still pricing a very small chance of an RBA cut in the next few months



Source: CBA, Bloomberg



## Key Positions

There wasn't too much action this week in bonds, so most of our trades haven't moved too far.

The GG Suncorp is now trading below BSBW, so we take profit there. We have also instituted a number of RV trades.

## Key Trades

Trade	Entry	Curent	Profit	Target	Stop	Comment
Buy the NSWTC Jun-20 (Government Guaranteed) as an ASW	-12bp (3-Feb-10)	-18.5bp	+6.5bp	-35bp	0bp	<b>Hold:</b> A long-term buy-and-hold trade.
Buy the Suncorp Metway Govt Guaranteed 26-Apr-11 Floater.	TM of 29.5bp	0bp	+29.5bp	0bp	40bp	<b>Target Reached:</b> This GG bond is now trading below BBSW. Take Profit.
Buy the KfW Dec-19 vs the IBRD Oct-19	33.5bp (31-Jan-11)	23bp	+10.5bp	20bp	40bp	<b>Hold:</b> The EU Sovereign CDS is improving, but the spread has not yet moved in AUD.
Pay the ASW of the ACGB Oct-14	31bp (14-Feb-11)	37.5bp	+6.5bp	40bp	25bp	<b>Hold:</b> We replace our 3Y EFP with this ASW instead. The bonds have lagged swap.
Buy the Feb-15 IBRD vs the Oct-14 IBRD	9bp (15-Feb-11)	9bp	0bp	2bp	12bp	<b>Hold:</b> The IBRD curve is too steep compared to the ACGB curve
Receive the 10Y swap vs the 20Y*10Y	-175bp (17-Feb-11)	-168bp	+7bp	-145bp	-195bp	<b>Hold:</b> The 30Y is too low in yield, the 20Y*10Y has pulled away from the 10Y spot rate.
Pay the AUD 3Y rate vs the NZD 3Y rate (carry 2.9bp per month)	132bp (21-Feb-11)	152bp	+25bp (including +5bp carry)	210bp	140bp	<b>Hold:</b> The spread is relatively stable but should trend wider. There is strong positive carry so we can hold the trade for the medium term.
Buy the QTC 2020 against the IBRD 2020	20.5bp (28-Feb-11)	19.5bp	-1bp	28bp	15bp	<b>Hold:</b> We expect the APRA liquidity announcement will see the spread widen more.
Receive the 5Y vs paying the 2Y and 10Y in an AUD swap butterfly	14bp (14-Mar-11)	21bp	-7bp	<b>0bp</b>	<b>26bp</b>	<b>New Target and Stop:</b> RBA hikes would flatten the 2Y/5Y but the US may steepen the 5Y/10Y. A butterfly captures both. Rally following Japan earthquake is likely to reverse.
Receive fixed in 1Y ZCS vs paying 5Y ZCS	-38bp (14-Mar-11)	-42bp	-4bp	-15bp	-50bp	<b>Hold:</b> The ZCS curve is overestimating the impact of the floods
Buy an NSWTC Nov-20 Linker vs UST 1.25% Jul-20 linker	213bp (14-Mar-11)	208bp	+5bp	150bp	235bp	<b>Hold:</b> The real yield pickup is large. The US linkers are likely to underperform once QE ends.
Pay 6M*1Y AUD swap	5.07% (18-Mar-11)	5.12%	+5bp	5.25%	4.98%	<b>Hold:</b> We don't believe the pricing of rate cuts will continue
An AUD 2Y/10Y flattener vs the US Treasury 2Y/10Y steepener	209bp (23-Mar-11)	211bp	+2bp	250bp	185bp	<b>Hold:</b> The Australian curve should flatten. The US curve could steepen if the Fed announces an end to QE
Buy the ACGB Feb-17 against the Apr-15 (double exposure)	20.5bp (30-Mar-11)	20.75bp	-0.5bp	15bp	25bp	<b>New Trade:</b> An RV trade which also benefits from a flattening curve
Buy the TCV Oct-14 against the ACGB Oct-14	25bp (31-Mar-11)	26bp	-1bp	20bp	28bp	<b>New Trade:</b> An RV trade to take advantage of the wideness of the TCV
Receive the ASW on the NZGB Dec-17 against paying it on the NZGB Apr-15	15bp (4-Apr-11)	15bp		5bp	20bp	<b>New Trade:</b> The NZGB ASW curve is out of alignment.



## Market pricing for the RBA cash rate still looks too low

Alex Stanley – Associate Analyst Fixed Income– 61 2 9118 1125 – [alex.stanley@cba.com.au](mailto:alex.stanley@cba.com.au)

- The RBA meets tomorrow and is highly unlikely to change the cash rate.
- The RBA are likely to look through the recent natural disasters, which should lead to higher short end rates.

The RBA is very unlikely to change rates tomorrow

At the RBA meeting tomorrow, we’re expecting no change in the cash rate. We recently recommended paying 6m\*1y swap based on market pricing for rate cuts. We take another look at the market’s RBA pricing and find that short end rates can sell-off further.

### The market sees few rate hikes

Following the recent disaster in Japan, the market priced RBA rate cuts (see Figure 1). In the last two weeks, short end rates have risen. However, pricing still has a very slight easing bias in the near term. While the case for a near-term tightening has receded, we think the next direction in the cash rate is up, not down. By the end of the year, the market is pricing less than half of one 25bp rate hike.

### The big picture

The market is pricing rate cuts in the short-term

When the RBA last raised the cash rate in November 2010, they reminded the market of their medium term objective. Just weeks before the November meeting, underlying CPI had printed in the lower part of the 2-3% target band. But the RBA decided the level of the cash rate didn’t adequately guard against the medium term upside inflation risks.

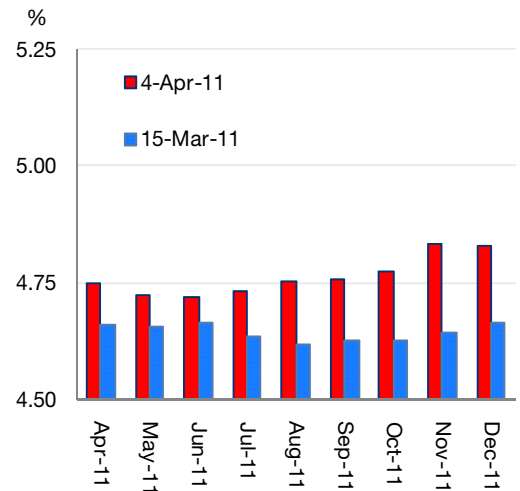
It’s likely that a similar view for more tightening will re-emerge soon. However, since the last rate hike, there have been two main developments holding short term rates down: natural disasters and higher household caution.

The RBA is likely to “look through” the impact of natural disasters

We’ve covered the natural disasters’ impacts at length before. But it’s worth re-iterating that we don’t think the Queensland floods, Cyclone Yasi or Japan earthquake and tsunami will keep the RBA on hold for a long period of time. Last week our Economists looked at an historical series of natural disasters around the world and found that they tend to only exert short term economic impacts on the affected regions. Furthermore, disasters have a negligible correlation with global growth. However, disasters do adversely impact market sentiment. Sentiment is a tricky thing to predict. But we suspect that over time, adverse market sentiment will fade and economic data will once again be a more important driver of short end rates.

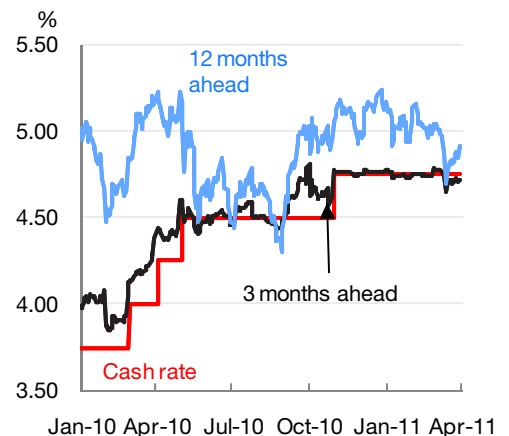
We’re yet to see the full impact of Australia’s

Figure 1 – IB Futures implied cash rate



Source: Bloomberg, CBA

Figure 2 – RBA Pricing



Source: Bloomberg, CBA



recent disasters on economic data. For example, headline CPI in Q1 will continue to be upwardly biased by the effects of Cyclone Yasi. The RBA made their views on this matter clear in their March meeting minutes: *“members confirmed that the board’s approach would be to look through temporary effects caused by extreme weather events and continue to set monetary policy based on the medium-term outlook for growth and inflation”*.

The RBA could take a similar tone about the Japan disaster in the statement tomorrow. The disaster will have short term implications for the world and Asia, but it’s unlikely to significantly impact the medium term Australian economic outlook.

The medium term outlook in Australia is positive.

The strength of that medium to long-term economic outlook reflects the large rise in national income is being driven by higher commodity prices, which in turn are driving higher investment (see Figure 3). The Q4 capex data shows that a massive surge in mining investment is likely in 2011/12. Using a 5 year realisation ratio, total capex in 2011/12 could rise 38% to \$182b.

The RBA have commented recently on the cautionary behaviour of households. The current household savings ratio, at 9.7%, isn’t far off its 20 year high. But with incomes rising, the RBA might not be able to rely on high savings rates for long. We expect the consumer to rebound soon, bringing the risk of RBA tightening back into play.

**Labour Force data could hold the key**

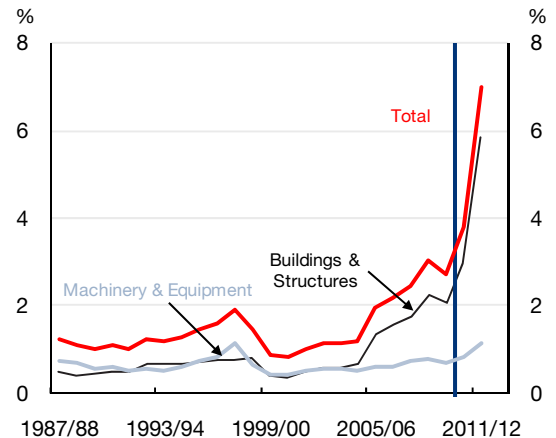
Coinciding with strong investment and rising income is low unemployment, at just 5.0%. Labour force data is due on Thursday and CBA Economists are expecting a 25k rise in employment and a 0.1% fall in the unemployment rate to 4.9%. In the short term, we think that a sub-5% unemployment rate could remind the market that the balance of risks favours an eventual return to tightening (Figure 4).

Labour Force data on Thursday is likely to underscore the strength in the Australian economy

Longer term, further tightness in the labour market, continued strong investment and rising incomes are the key economic variables to watch for short end rates. We think these variables will start to tip the balance of risks towards a return to tightening, starting with the Labour Force data on Thursday.

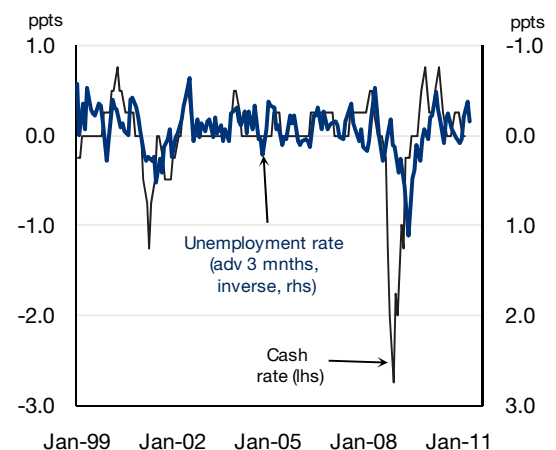
A fortnight ago, when the market started pricing rate cuts, we recommended a pay 6m\*1y swap position at 5.07% (see Weekly Strategy 21 March). Since then the trade has performed well, rising 8bp. We continue to think this position is appropriate and target a level of 5.25% (Figure 5).

Figure 3 – Mining Investment (% of GDP)



Source: ABS, CBA

Figure 4 – Cash rate and unemployment



Source: ABS, Bloomberg, CBA

Figure 5 – 6m\*1y Swap



Source: Bloomberg, CBA



## The New Zealand bond-swap spread

Philip Brown – Fixed Income Quantitative Strategist – 61 3 9675 7522 – [philip.brown@cba.com.au](mailto:philip.brown@cba.com.au)

- New Zealand Government Bond yields are trading well above swap.
- The weakening NZ govt finances have increased credit risk and increased bond rates.
- The steepness of the NZ swap curve has discouraged paying and tight Bills/OIS spreads have reduced swaps.
- We take no view on the outright level of swap spreads in NZ, but like the Dec-17 vs the Apr-15 on a RV basis.

NZGB are trading well above swap rates

Most of the New Zealand Government bond yields trade above swap. The longer end bonds have traded as much as 50bp above swap. (See Figure 1.)

Some of this spread is undoubtedly related to the deteriorating position of the NZ Govt balance sheet. However, we don't believe that is the only driver of the recent moves. Some of the spread change is due to strong receiving interest in swaps, too.

Figure 2 shows that the NZ Sovereign CDS (in USD) generally had a very good relationship with the asset swaps of the NZGBs over 2009 and early 2010. Early in 2010, though, the relationship broke down. The use of the CDS is instructive, but not infallible. As a general rule we are not entirely comfortable using the CDS of a sovereign when there is no real identifiable risk of default. The Sovereign CDS market is not entirely liquid at the best of times and for smaller names - of which New Zealand is definitely one - this is particularly true. The market is very flow driven and can be sensitive to the overall risk environment, rather than NZ-specific risks.

The outright level of spreads is hard to predict.

Nonetheless, the question remains, are the current spreads for NZ bonds over and above swap justifiable? If not, which ones should you buy to take advantage of the spreads?

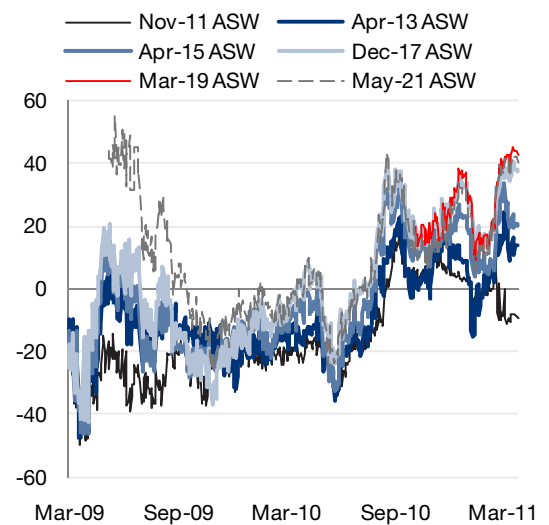
Given the variability of the NZ swap spreads we do not regard the current level alone as being a reason to expect a tightening. However, we do see some relative value opportunities around the 7Y-10Y point. In particular, the Dec-17 seems too wide compared to the Apr-15.

### The bond side – NZ Government Balance sheet is not wonderful

The bonds have high yields because of increased issuance

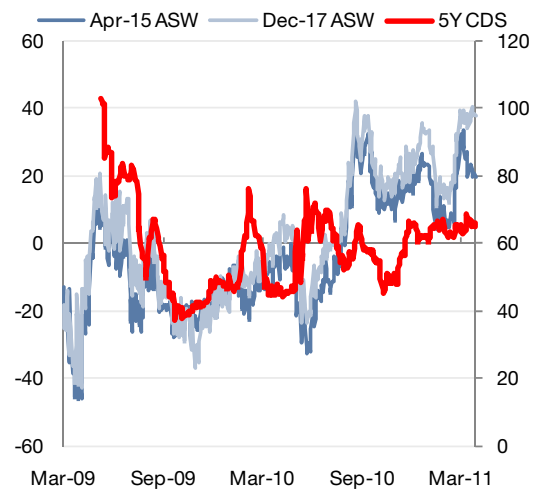
Part of the reason the NZ bonds have been underperforming swap has been a deterioration of the NZ balance sheet. The most recent update of Government Finances was for the seven months to January 2011. This update showed the NZ Govt was running a larger deficit than had been predicted only a month

Figure 1 – NZ Govt Asset Swap Spreads



Source: CBA, Bloomberg

Figure 2 – Asset swaps and the CDS



Source: CBA, Bloomberg



As the earthquake comes through in the data, the deficit is likely to worsen

earlier in the half-year update. New Zealand's Gross Debt as a percentage of GDP was 0.8% (or NZ\$1.46b) higher than predicted at 33.1%.

These results are very unlikely to improve. The second earthquake in Christchurch was on 22 February. The full fiscal impact of the earthquake is not clear, but it will have reduced revenues and increased expenses. Our working estimate is that the deficit will be increased by around \$11b in total over the next few years. There is also the possibility that the Earthquake Commission will need to sell some of their holdings of NZGBs to fund the recovery.

March has seen significant issuance

There has been a steep increase in bond issuance, both in the longer-term sense and the shorter-term sense. 2010 and 2011 have had much more issuance than previous years. (See Figure 3.) Within 2011, the NZDMO has been very active in March. In other words, March has been an active month in an active year, so it is not surprising that bonds are cheap compared to swap.

The NZDMO usually tenders a very small amount once per week. Two weeks ago (24 March) the NZDMO changed this pattern and issued \$950m of bonds in one go. The NZDMO stated that this was because of increased demand for the bonds.

The NZDMO had originally advertised they would issue \$450m of bonds in total but raised the volume to \$950. The tendered amounts of the Mar-19 and May-21 lines were increased from \$150m to \$400m. However, the tenders were underwhelming, with only \$611m and \$631m of bids received, respectively.

The NZDMO has increased the issuance limits

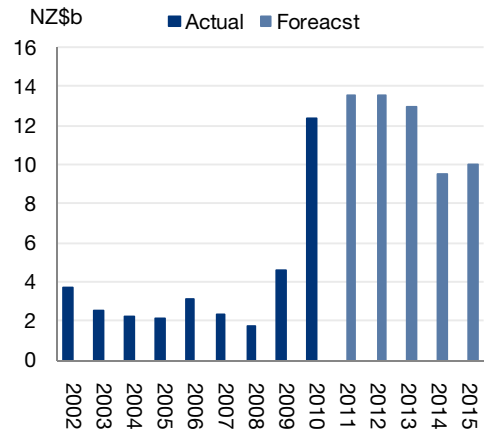
The NZDMO has also recently increased the annual issuance target from \$13.5b to \$15b for the financial year (to June 2011). Our traders we spoke to suggested the NZDMO might be trying to ramp up issuance while the bond yields were relatively low.

In our view, one of the primary drivers of the NZGB underperformance has been the large volume of issuance. The earthquake clean-up is far from finished and so the issuance is likely to continue. There is no reason to assume it will reverse and tighten spreads.

NZ may even be downgraded

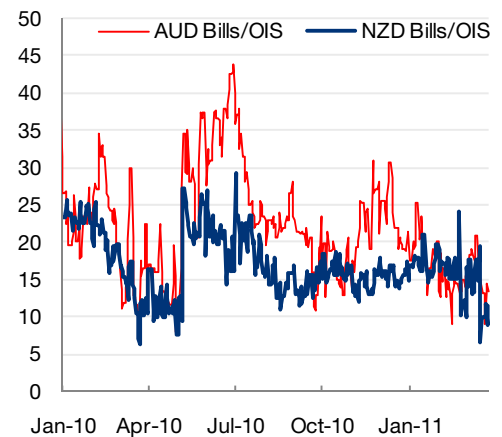
A second driver from the bond side is the possibility that NZ will be downgraded. S&P put NZ's foreign currency rating on negative watch in November 2010. However, S&P also stated in February that the AAA/stable local currency rating isn't immediately affected by the Christchurch earthquake. Our colleagues at ASB do not expect a downgrade - and neither do we - but the NZ federal budget in May will be important to watch.

Figure 3 –NZ Bond issuance



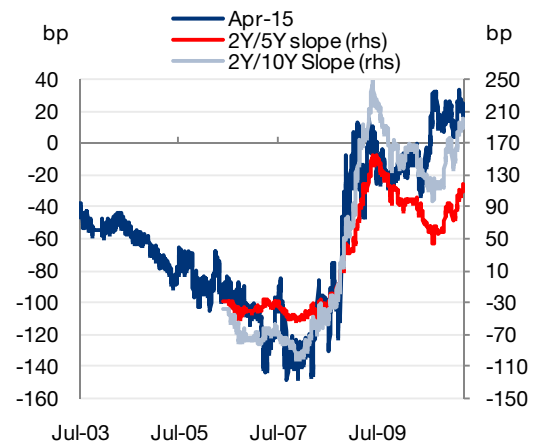
Source: NZDMO, ASB Bank

Figure 4 –Bills/OIS spreads



Source: CBA, Bloomberg

Figure 5 – Slope of NZ curve and spreads



Source: CBA, Bloomberg



**The swap side – receiving interest driving swaps down too**

Swaps yields are being forced down

The other side of the spread story is the swap rate. In Australia, there has recently been a lot of money available in domestic deposits, which has driven the Bills/OIS spread down. (See Strategy Weeklies of 28 February and 28 March.) The NZ spread between bills and OIS has also been relatively tight in recent weeks. (See Figure 4.)

Bills/OIS is tight, reducing swap rates

The Bills/OIS spread often translates directly in swap spreads because the swap is set using bill rates. When the bills are forced lower in yield the swaps are too. Assuming that the bond prices are unchanged, the swap spread responds to the Bills/OIS spread. The tightness of the Bills/OIS in NZ will be adding to the swap outperformance of bonds.

Curves are steep, reducing paying interest

The NZ curve is now very steep and looks radically different to the pre-GFC era (see Figure 5). The steep slope of the NZ curve is also conducive to “tighter” spreads (i.e. swaps lower in yield compared to bonds). The steep curve encourages borrowers to stay on floating rates and reduces the uptake of fixed rate mortgages. Currently, very few NZ borrowers are taking fixed rates. Figure 6 shows that the volume outstanding of fixed rates is falling quickly. If the total volume outstanding is falling that quickly, then the number of new loans being written must have fallen even faster.

When banks are not writing fixed rate mortgages they do not need to hedge them by paying swap. Overall, this sees swap yields fall compared to bond yields.

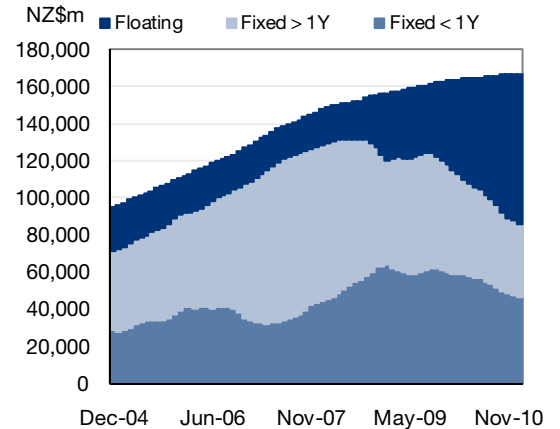
**But the two markets are highly disconnected**

The NZ swap spreads are quite volatile because the NZ swap and bond markets are highly disconnected. Figure 7 shows the huge range that NZ swap spreads have traded in over the past few years.

The two markets are highly disconnected

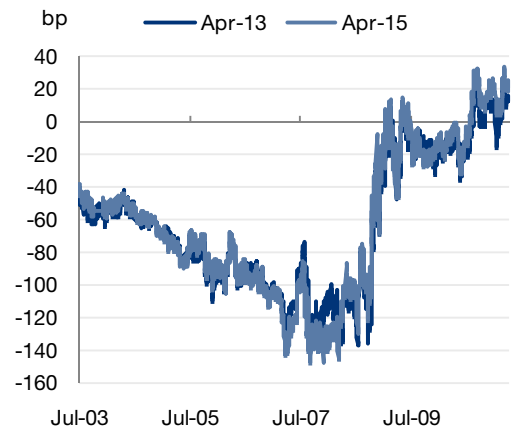
There are a large number of investors in the NZGB market who cannot trade in swaps. This feature makes it easier for the bond and swap prices to become highly disconnected as the two markets operate in parallel, rather than interacting. Given the very low liquidity in Government bonds, it is possible for government bonds and swaps to move in almost contradictory ways. While it is entirely possible that NZGBs will outperform swaps over the next little while and so ASW spreads will fall, it is not clear that there is anything that will force that to happen.

Figure 6 – Outstanding NZ mortgages by type



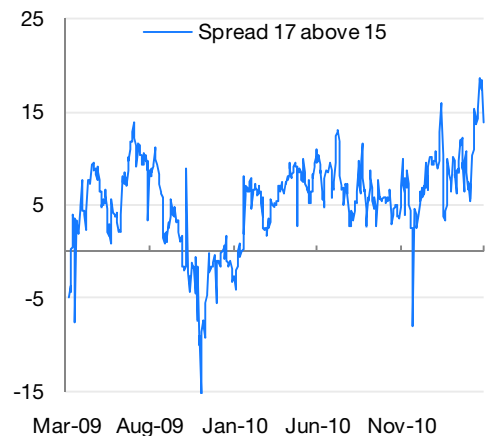
Source: CBA, Bloomberg

Figure 7 – NZ Spreads over time



Source: CBA, Bloomberg

Figure 8 – Slope of the ASW spreads



Source: CBA, Bloomberg



### Relative Value

RV suggests the 5Y-7Y point is out of alignment, though

Although the level of the two curves can be pulled apart by differences in flows, both the bond curve and the swap curve should be predictable within themselves. They each should be smooth, proper interest rate curves. However, currently, there are some RV opportunities because the two curves have different shapes, as well as different levels.

We think the 5Y-7Y part of the curve is the most promising from an RV perspective. Both Figures 1 and 2 show that the Apr-15 ASW has recently diverged from the Dec-17 ASW. Figure 8 shows the slope between the two spreads has increased noticeably over the past few weeks. Figure 9 shows the asset swaps presented as a curve. The large hump between the Apr-15 and Dec-17 is visually obvious.

Figure 10 corroborates our original observations. It shows the PCA analysis we usually perform on yields, but applied to the ASW curve. The Dec-17 is shown as high compared to the others around it.

We recommend no outright position, but the Dec-17 seems most attractive

Although we are not inclined to implement an outright NZGB spread trade, we think the best way to implement one would be via buying the Dec-17 on an ASW basis. The other bonds longer than the Dec-17 are also attractive from an outright perspective. However, the Dec-17, despite its slightly lower spread, is more out of alignment than the longer bonds, in our view.

We recommend buying the Dec-17 vs swap while simultaneously selling the Apr-15 vs swap. This trade should work if the spreads on the two bonds return to a more natural shape, regardless of the direction. This trade would still be slightly exposed to a sovereign downgrade, since that would likely steepen the NZ Govt credit curve.

We prefer the spread to the Apr-15

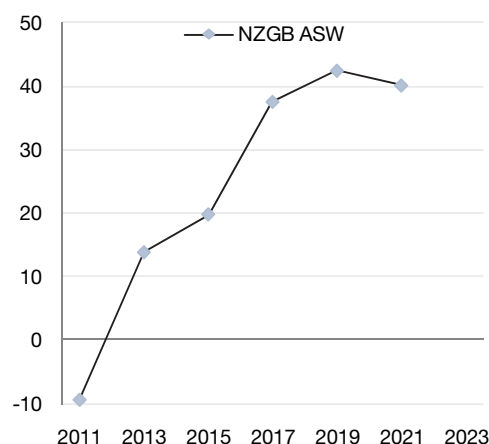
The spread is currently around 15bp and we would target 7bp. (See Figure 6.)

### 3Y spread trade

We have found nothing here to make us change our minds on our Aust to NZ 3Y swap differential trade. If anything, confirming just how poor the NZ govt finances have become makes it more likely that the NZ govt will seek to remedy the situation in the coming May 19 budget. If the Government either raises taxes or cuts expenditure to protect the deficit this will, at the margin slow the economy.

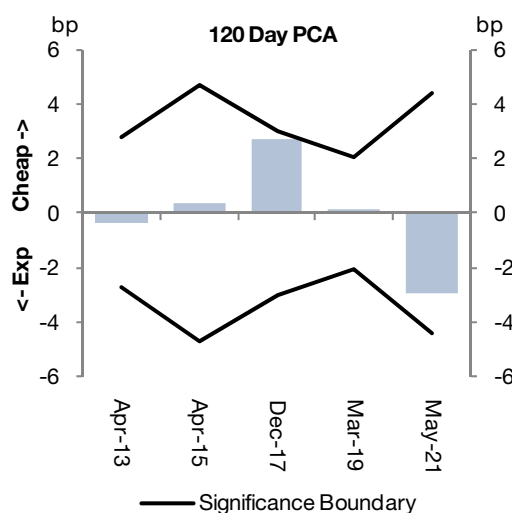
The behaviour of the NZ swap spreads suggests the swaps will not move too far in the event that the NZ government is downgraded.

Figure 9 – Slope of the NZGB ASW curve



Source: CBA, Bloomberg

Figure 10 – PCA results on the NZGB ASW curve



Thanks to Chris Tennant-Brown for his assistance with this article.



## New QTC benchmark bond announced

Philip Brown – Fixed Income Quantitative Strategist – 61 3 9675 7522 – [philip.brown@cba.com.au](mailto:philip.brown@cba.com.au)

- QTC has announced a new 6% 21 July 2022 bond to be issued via book build in the coming days.
- The deal is being marketed with a spread of 59.75bp to 62.75bp above the ACGB Jul-22.
- This represents a slight uptick to the existing curve. New bonds and long bonds do generally sit wide, however.

**Disclosure: CBA is a joint lead manager of this transaction and will receive fees based on the size of the deal completed.**

The new QTC 21-Jul-22 bond has a coupon of 6% and is advertised as being of benchmark size. The new bond is longer than the current longest SG QTC bond. However, there are some comparators with bonds in that vicinity that we can use to infer the shape of the QTC curve around that point.

The bond is being marketed with a spread of 59.75bp to 62.75bp above ACGB

The new QTC bond is being marketed with a spread of between 59.75bp and 62.75bp above the ACGB Jul-22. We believe the bond will price near the middle of this nominated range.

Figure 1 shows the swap spreads of the QTC curve and some relevant comparators. Of particular interest is the TCV curve, which includes some longer bonds. The TCV Oct-22 trades marginally wider than the TCV Jun-20. This suggests that, since the new QTC bond will be a benchmark line, it should follow a similar profile.

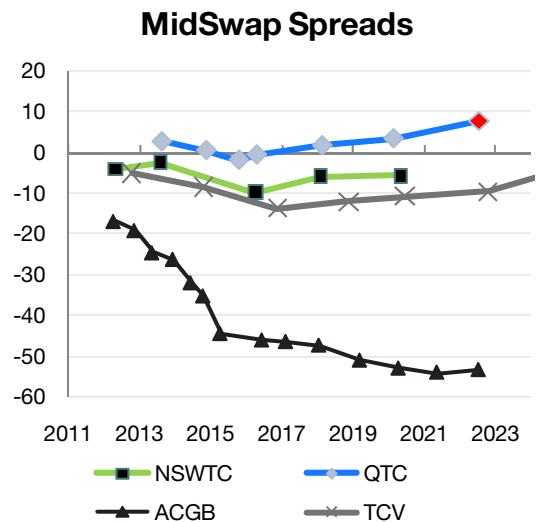
The bond would be around 25bp over the estimated GG curve

If the new bond prices at the centre of the indicated range it will imply a spread of 29bp to the QTC GG Jun-21. However, it will be a spread of 25bp to the extrapolated GG curve for July 2022. Figure 2 shows that the spreads to the GG curve of the existing QTC SG bonds. The new bond, if it prices as advertised, will be wider than any of the other bonds.

We think the bond should price near the centre of the advertised band. That would imply a spread to mid swap of about 8bp. This is equivalent to an ASW of around 9bp (s/s).

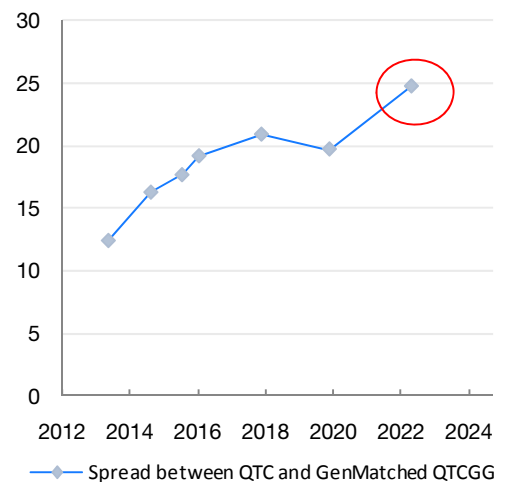
This will be QTC’s second benchmark deal in 2011. The QTC Feb-18 was launched with A\$4bn in February this year.

Figure 1 – Various Semi bonds



Source: Bloomberg, CBA

Figure 2 – Spread to the estimated GG curve



Source: Bloomberg, CBA



## Key Views

United States		Tactical (<1 mth)	Strategic (>3 mths)
<p>The underlying data in the US continues to improve, though global events are clouding the picture. Uncertainty about the stability of the Middle East and the Japanese earthquake are dominating headlines for the moment. The US Government is also struggling to pass a budget and the debt ceiling is approaching, which are both adding to unease.</p> <p>We expect a stronger economic recovery to take hold in mid or late 2011 and for bond yields to head higher as the situation becomes clearer. The Fed remains concerned about the very low level of inflation and the slow recovery in the labour market (though even this is now starting to show signs of life). The Fed is starting to debate when and how to remove QE, though no action is likely until at least June. Once the Fed starts raising the Fed Funds rate, we see room for the curve to flatten markedly. We expect the Fed will keep the current QE policy (dubbed "QE2") in place until it expires on 30 June.</p> <p>The USD is likely to stay heavy while the Fed maintains QE until the end of June. The USD is likely to weaken on a TWI basis. The ECB is significantly more hawkish than the Fed. We expect EUR/USD to keep lifting to our end-June target of 1.45. The risk to our call is the target is met sooner rather than later. USD/JPY is however set to grind higher.</p>	Policy rate	0.1%	0.1%
	10yr bond	3.40%	3.60%
	2/10 curve	280bp	270bp
	USD/JPY	85.00	86.00
	EUR/USD	1.43	1.45
Australia		Tactical (<1 mth)	Strategic (>3 mths)
<p>Australia's economic health and lack of spare capacity continues to stand in stark contrast to the rest of the advanced world. RBA tightening in 2010 put substantial flattening pressure on the domestic curve and saw spreads to the US widen noticeably. But the impact of that tightening on both the retail sector and the AUD has curbed inflation pressure and contributed to a change in market trend in late 2010 (together with the US bond sell-off).</p> <p>An important dynamic in the domestic markets is tension between a comparatively weak current picture of the economy and a very strong medium term outlook. The RBA has been highlighting the medium-term outlook repeatedly in recent communications. We see the fundamental strength exerted by high commodity prices and booming investment as dominating over the year and pushing the RBA to continue to tighten rates over the course of 2011. However, with no "smoking gun" likely in the near term, Japan causing markets to be unsettled, and a new flood levy on the way, timing on rate rises is harder to predict. Australian spreads to US should tighten quickly when the Fed starts to raise rates.</p> <p>We see AUD lifting modestly further to 1.05 as the USD remains weak and market pricing for a RBA rate returns to price the risk of a rate hike. US earnings season starts next week. In a low volatility environment, the recent good US economic data raises the risk of a further lift in equities which would support a higher AUD. Base metals are also well supported by firm global growth. The largest near term risk to the AUD is if the high oil price keeps rising to \$115/barrel (WTI basis) as this would cause some downward revision to global growth estimates and drag AUD lower.</p>	Policy rate	4.75%	5.00%
	10yr bond	5.60%	5.80%
	3/10 curve	30bp	20bp
	10yr EFP	52bp	55bp
	10yr v US	220	220
	AUD/USD	1.0500	1.0800
New Zealand		Tactical (<1 mth)	Strategic (>3 mths)
<p>The Christchurch earthquake has completely changed the direction of the NZ economy. The RBNZ cut rates by 50bp at the meeting on March 10. We do not expect the RBNZ to raise rates until March 2012. The destruction in Christchurch is considerable and the recovery will be a very long, slow one.</p> <p>The New Zealand economy was already weakening before the quake and the rest of the year is likely to be a slow grind. Economic activity appears to have stalled over the second half of 2010. Inflation factors continue to suggest inflation is not a concern.</p> <p>Even though New Zealand is close to recession, the weak USD and firm global agricultural prices are very supportive for the NZD. We expect the USD to remain weak in the near term and keep NZD comfortably around the mid-70s. Now that the Reserve Bank of New Zealand has delivered its rate cut and signalled no more cuts are likely, NZD is likely to benefit more than AUD from firm global growth, as well as an eventual re-pricing of RBNZ rate hikes.</p>	Policy rate	2.50%	2.50%
	10yr bond	5.60%	5.60%
	2/10 swap curve	185bp	195bp
	10yr v US	180	200
	10yr v AUS	0bp	-20bp
	NZD/USD	0.76	0.75
	AUD/NZD	1.36	1.35



## CBA Forecasts:

Cash rate	4-Apr	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
US	0.25	0.25	0.25	0.50	0.75	1.00	1.25	1.50
Australia	4.75	5.00	5.25	5.50	5.75	5.75	5.75	5.75
New Zealand	2.50	2.50	2.50	2.50	2.75	3.50	4.25	4.50
United Kingdom	0.50	0.75	1.00	1.25	1.50	1.75	2.00	2.25
Eurozone	1.00	1.25	1.25	1.50	1.75	2.00	2.25	2.50
Japan	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
2-yr bond yield	4-Apr	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
US	0.79	1.00	1.40	1.70	2.00	2.30	2.60	2.80
Australia	4.95	5.40	5.70	5.90	5.90	5.80	5.70	5.70
New Zealand	3.80	3.50	3.70	3.90	4.30	4.60	4.70	4.60
United Kingdom	1.38	2.00	2.40	2.60	2.80	3.00	3.10	3.20
Eurozone	1.82	1.70	1.90	2.20	2.50	2.80	3.00	3.00
Japan	0.22	0.20	0.25	0.25	0.35	0.65	0.75	0.75
10-yr bond yield	4-Apr	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
US	3.45	3.60	3.90	4.00	4.10	4.20	4.30	4.30
Australia	5.54	5.80	5.90	6.00	6.00	5.90	5.90	5.90
New Zealand	5.67	5.60	5.70	5.80	5.90	5.90	5.80	5.80
United Kingdom	3.72	4.10	4.40	4.50	4.60	4.70	4.60	4.60
Eurozone	3.37	3.30	3.40	3.40	3.50	3.60	3.70	3.80
Japan	1.30	1.30	1.30	1.40	1.50	1.60	1.80	1.90
Currencies	4-Apr	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12
AUD/USD	1.04	0.99	0.94	0.92	0.90	0.88	0.85	0.85
AUD/JPY	87.56	85.14	81.78	80.96	79.20	77.44	74.80	74.80
AUD/EUR	0.73	0.68	0.66	0.66	0.66	0.65	0.64	0.65
AUD/GBP	0.65	0.58	0.56	0.56	0.56	0.55	0.54	0.54
AUD/CAD	1.00	1.01	0.97	0.96	0.95	0.92	0.92	0.92
AUD/NZD	1.35	1.32	1.31	1.30	1.29	1.28	1.25	1.25
USD/JPY	84.09	86.00	87.00	88.00	88.00	88.00	88.00	88.00
EUR/USD	1.43	1.45	1.42	1.40	1.36	1.35	1.32	1.30
GBP/USD	1.61	1.70	1.68	1.65	1.60	1.59	1.58	1.58
USD/CAD	0.96	1.02	1.03	1.04	1.05	1.05	1.08	1.08
NZD/USD	0.77	0.75	0.72	0.71	0.70	0.69	0.68	0.68



## Calendar – April 2011

Monday	Tuesday	Wednesday	Thursday	Friday
<b>Early May</b> AU House Prices, Q1 (2 May) AU Building approvals, Mar (5 May) AU Retail trade, Mar (5 May) AU Trade in Goods & Services, Mar (10 May) AU Federal Budget (10 May) AU Labour force, Apr (12 May) AU Housing finance, Mar (16 May)	<b>Central Bank Meetings</b> AU RBA (5 April) JP BoJ (7, 28 April) UK BoE (7 April) EU ECB (7 April) CA BoC (12 April) US FOMC (27 April) NZ RBNZ (28 April)			<b>AU AI-Group PMI, Mar, Index, (51.1)</b> NZ Manufacturing activity QIV, q%ch, (1.3) CH PMI Manufacturing, Mar, Index, (52.2) EU/GE/UK PMI manufacturing, Mar, Index, (57.7/60.9/61.5) US Non-farm payrolls, Mar, '000, (192K) US Unemployment rate, Mar, %, (8.9) US Avg hrlly earnings, Mar, m/y%ch, (0.0/1.7) US Construction spending, Feb, m%ch, (-0.7) US ISM manufacturing, Mar, Index, (61.4) US Total vehicle sales, Mar, mn, (13.38)
<b>4</b> <b>AU CBA/AI-Group PSI, Mar, (48.7)</b> <b>AU TD inflat gauge Mar, m/y%ch, (0.2/3.6)</b> <b>AU ANZ Job ads, Mar, m%ch, (1.2)</b> EU PPI, Feb, m/y%ch, (1.5/6.1) UK PMI construction, Mar, Index, (56.5) UK BoE Housing equity withdrawal, QIV, £bn, (-6.1) <b>IMF World Economic Outlook Chapters</b>	<b>5</b> <b>AU Trade balance Feb, \$bn, 1.2, (1.875)</b> <b>AU RBA cash rate, %, 4.75, (4.75)</b> NZ NZIER Business opinion survey Q1, (8) EU PMI services/composite, Mar, Index, (56.9/57.5) EU Retail sales, Feb, m/y%ch, (0.4/0.7) GE/UK PMI services, Mar, Index, (60.1/52.6) US ISM non-manufacturing, Mar, Index, (59.7) US FOMC Minutes	<b>6</b> <b>AU AI-Group PCI, Mar, Index, (44.6)</b> <b>AU Housing finance, Feb, m%ch</b> <b>No. of own-occupiers, %, -5.0, (-4.5)</b> <b>Value of all loans, %, -5.0, (-4.6)</b> JP Leading / Coincident index CI, Feb, , (101.5/105.9) EU GDP, QIV, q/y%ch, (0.3/2.0) GE Factory orders, Feb, m/y%ch, (2.9/16.0) UK Industrial production, Feb, m/y%ch, (0.5/4.4) UK NIESR GDP estimate, Mar, m%ch, (0.2) CA Ivey purchasing manager index, Mar, (69.3)	<b>7</b> <b>AU Labour force, Mar</b> <b>employment, '000, 25, (-10.1)</b> <b>participation rate, %, 65.7, (65.7)</b> <b>unemployment rate, %, 4.9, (5.0)</b> JP BoJ target rate, %, 0-0.10 (0-0.10) EU ECB announces int. rate, %, 1.00, (1.00) GE Industrial production, Feb, m/y%ch, (1.8/12.5) UK BoE announces rates, %, 0.50, (0.50) US Consumer credit, Feb, \$bn, (5.0) CA Building permits, Feb, m%ch, (-5.1)	<b>8</b> JP Curr a/c total/adjusted, Feb, ¥bn, (461.9/1089.2) JP Trade balance - BOP basis, Feb, ¥bn, (-394.5) GE Trade bal, Feb, €bn, (10.1) UK PPI Input/Output/core, Mar, y%ch, (14.6/5.3/3.1) US Wholesale inventories, Feb, m%ch, (1.1) CA Net change in employment, Mar, '000, (15.1) CA Unemployment rate, Mar, %, (7.8) CA Housing starts, Mar, '000, (181.9)
<b>11</b> NZ Business PMI, Feb, Index, (53.7) CH Trade balance Mar, US\$bn, (-7.3) NZ Card spending, Mar, m%ch, (-0.2) JP Machine orders, Feb, m/y%ch, (4.2/5.9) <b>IMF World Economic Outlook Forecasts</b>	<b>12</b> <b>AU NAB Bus conf/cond, Mar, Index, (14/-2)</b> EU/GE ZEW survey (econ. sentiment), Apr, (31/14.1) GE CPI, Mar, m/y%ch, (0.5/2.0) UK RICS house price balance, Mar, %, (-26) UK Total trade balance, Feb, £bn, (-2.95) UK CPI, Mar, m/y%ch, (0.7/4.4); core, y%ch, (3.4) US Import price index, Mar, m/y%ch, (1.4/6.9) US Trade balance, Feb, \$bn, (-46.3) CA Housing price index, Feb, m%ch, (0.2/1.9) CA Trade balance Feb, C\$, (0.1) CA Bank of Canada, %, 1.00, (1.00)	<b>13</b> <b>AU RBA Gov Glenn Stevens speaks in New York</b> <b>AU MI/WBC Consumer Sent, Apr, Index, (104.1)</b> <b>AU DEWR skilled vacancies, Apr</b> NZ Food prices, Mar, m%ch, (0.1) JP Domestic CGPI, Mar, m/y%ch, (0.2/1.7) EU Industrial production Feb, m/y%ch, (0.3/6.6) UK ILO unemployment rate (3mths), Feb, %, (8.0) US Federal Reserve Beige Book US Retail sales, Mar, m%ch, (1.0) US Business inventories, Feb, m%ch, (0.9) CA Bank of Canada Monetary Policy Report	<b>14</b> <b>AU MI Consumer Inflation Expectat, Apr, %, (3.6)</b> <b>AU MI Unemp. Exp., Apr, Index (105.9)</b> <b>AU New motor veh. sales, Mar, m/y%ch, (0.2/-1.5)</b> NZ Business PMI, Mar, Index NZ PSI, Feb, Index, (50.8) NZ Retail sales, Feb EU ECB Monthly report US Producer price index Mar, m/y%ch, (1.6/5.6)	<b>15</b> <b>CH PPI/CPI, Mar, y%ch, (7.2/4.9)</b> <b>CH Industrial production, Mar, y%ch, (14.9)</b> <b>CH GDP, Q1, y%ch, (9.8)</b> <b>CH Retail sales, Mar, y%ch, (11.6)</b> JP Industrial production/Capacity utilisation, Feb EU CPI, Mar, m/y%ch, (0.4/2.4); core, y%ch, (1.0) EU Trade balance Feb, €bn, (-3.3) EU ECB Monthly report US CPI, Mar, m/y%ch, (0.5/2.1); core, m/y%ch, (0.2/1.1) US Capacity utilisation, Mar, %, (76.3) US Industrial production, Mar, m%ch, (-0.1) US Uni. Of Michigan confidence, Apr, Index, (67.5)
<b>18</b> NZ PSI, Apr, Index NZ CPI, Q1, q/y%ch, (2.3/4.0) US NAHB housing market index, Apr, (17)	<b>19</b> <b>AU RBA Board Minutes</b> JP Consumer confidence, Mar, Index, (40.7) EU Current account, Feb, €bn, (-0.7) EU Construction output, Feb, m/y%ch, (1.8/-4.5) US Housing starts/permits, Mar, '000, (479/517) CA CPI, Mar, m/y%ch, (0.3/2.2) CA Leading indicators, Mar, m%ch, (0.8) CA Wholesale sales, Feb, m%ch, (1.5)	<b>20</b> <b>AU MI Consumer Inflation Expectat, Apr, %</b> <b>AU Trade Price Indices, Q1, q%ch</b> <b>import prices, 3.5, (-3.8)</b> <b>export prices, -0.6, (-8.1)</b> GE Producer prices, Mar, m/y%ch, (0.7/6.4) UK Bank of England minutes US Existing home sales, Mar, mn/m%ch, (4.88/-9.6)	<b>21</b> <b>AU PPI Q1, q/y%ch, 1.0, (0.1)</b> NZ Credit card spending, Mar, m/y%ch, (-0.3/5.3) GE IFO - Business climate, Apr, Index, (111.1) UK Retail sales, Mar, m/y%ch, (-0.8/1.3) US Leading indicators, Mar, m%ch, (0.8) US Philadelphia Fed, Apr, Index, (43.4) CA Retail sales, Feb, m%ch, (-0.3)	<b>22</b>
<b>25</b> JP Trade bal total/adj, Mar, ¥bn, (654.1/556.0) US New home sales, Mar, m%ch, (-16.9) US Dallas Fed, Apr, Index	<b>26</b> GE Retail sales, Mar, US S&P/Case-Shiller home price ind., Feb, US Richmond Fed, Apr, Index, (20)	<b>27</b> <b>AU Consumer Price Index, Q1, q/y%ch</b> <b>Headline, 1.3/3.1, (0.4/2.7)</b> <b>RBA Underlying, 0.6/2.1 (0.4/2.3)</b> NZ NBNZ Business confidence, Apr, Index EU Industrial new orders, Feb, m/y%ch, (0.1/20.9) UK GDP, Q1, US Durable goods orders, Mar, m%ch, (-0.9) US FOMC rate decision, %, 0-¼, (0-¼) CA Teranet House Prices, Feb,	<b>28</b> NZ RBNZ official cash rate, %, 2.50, (2.50) JP CPI, Mar, JP Industrial production, Mar, JP Housing starts/construction orders, Mar, JP BoJ target rate, %, 0-0.10 (0-0.10) UK GfK consumer confidence survey, Apr, Index US GDP, Q1, q%chsaar, (3.1) US Pending home sales, Mar,	<b>29</b> <b>AU Private sector credit, Mar,</b> <b>AU RP Data house prices, Mar,</b> NZ Building permits, Mar, NZ Trade balance, Mar, US Employment cost index, Q1, q%ch, (0.4) US Personal income/spending, Mar, m%ch US PCE deflator/core, Mar, y%ch US Uni. Of Michigan confidence, Apr, Index

Note: Figures in brackets represent previous result (if available). All information is preliminary and subject to revision. Chief Economist: Michael Blythe ph: 9118-1101 Economist: James McIntyre: 9118-1100



Please view our website at [www.research.commbank.com.au](http://www.research.commbank.com.au). The Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 ("the Bank") and its subsidiaries, including Commonwealth Securities Limited ABN 60 067 254 399 AFSL 238814 ("CommSec"), Commonwealth Australia Securities LLC, CBA Europe Ltd and Global Markets Research, are domestic or foreign entities or business areas of the Commonwealth Bank Group of Companies (CBGOC). CBGOC and their directors, employees and representatives are referred to in this Appendix as "the Group". This report is published solely for informational purposes and is not to be construed as a solicitation or an offer to buy any securities or financial instruments. This report has been prepared without taking account of the objectives, financial situation and capacity to bear loss, knowledge, experience or needs of any specific person who may receive this report. No member of the Group does, or is required to, assess the appropriateness or suitability of the report for recipients who therefore do not benefit from any regulatory protections in this regard. All recipients should, before acting on the information in this report, consider the appropriateness and suitability of the information, having regard to their own objectives, financial situation and needs, and, if necessary seek the appropriate professional, foreign exchange or financial advice regarding the content of this report. We believe that the information in this report is correct and any opinions, conclusions or recommendations are reasonably held or made, based on the information available at the time of its compilation, but no representation or warranty, either expressed or implied, is made or provided as to accuracy, reliability or completeness of any statement made in this report. Any opinions, conclusions or recommendations set forth in this report are subject to change without notice and may differ or be contrary to the opinions, conclusions or recommendations expressed elsewhere by the Group. We are under no obligation to, and do not, update or keep current the information contained in this report. The Group does not accept any liability for any loss or damage arising out of the use of all or any part of this report. Any valuations, projections and forecasts contained in this report are based on a number of assumptions and estimates and are subject to contingencies and uncertainties. Different assumptions and estimates could result in materially different results. The Group does not represent or warrant that any of these valuations, projections or forecasts, or any of the underlying assumptions or estimates, will be met. Past performance is not a reliable indicator of future performance. The Group has provided, provides, or seeks to provide, investment banking, capital markets and/or other services, including financial services, to the companies described in the report and their associates. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject any entity within the Group to any registration or licensing requirement within such jurisdiction. All material presented in this report, unless specifically indicated otherwise, is under copyright to the Group. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior written permission of the appropriate entity within the Group. In the case of certain products, the Bank or one of its related bodies corporate is or may be the only market maker. The Group, its agents, associates and clients have or have had long or short positions in the securities or other financial instruments referred to herein, and may at any time make purchases and/or sales in such interests or securities as principal or agent, including selling to or buying from clients on a principal basis and may engage in transactions in a manner inconsistent with this report.

**US Investors:** If you would like to speak to someone regarding the subject securities described in this report, please contact Commonwealth Australia Securities LLC (the "US Broker-Dealer"), a broker-dealer registered under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") and a member of the Financial Industry Regulatory Authority ("FINRA") at 1 (212) 336-7737. This report was prepared, approved and published by Global Markets Research, a division of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 ("the Bank") and distributed in the U.S. by the US Broker-Dealer. The Bank is not registered as a broker-dealer under the Exchange Act and is not a member of FINRA or any U.S. self-regulatory organization. Commonwealth Australia Securities LLC ("US Broker-Dealer") is a wholly owned, but non-guaranteed, subsidiary of the Bank, organized under the laws of the State of Delaware, USA, with limited liability. The US Broker-Dealer is not authorized to engage in the underwriting of securities and does not make markets or otherwise engage in any trading in the securities of the subject companies described in our research reports. The US Broker-Dealer is the distributor of this research report in the United States under Rule 15a-6 of the Exchange Act and accepts responsibility for its content. Global Markets Research and the US Broker-Dealer are affiliates under common control. Computation of 1% beneficial ownership is based upon the methodology used to compute ownership under Section 13(d) of the Exchange Act. The securities discussed in this research report may not be eligible for sale in all States or countries, and such securities may not be suitable for all types of investors. Offers and sales of securities discussed in this research report, and the distribution of this report, may be made only in States and countries where such securities are exempt from registration or qualification or have been so registered or qualified for offer and sale, and in accordance with applicable broker-dealer and agent/salesman registration or licensing requirements. The preparer of this research report is employed by Global Markets Research and is not registered or qualified as a research analyst, representative, or associated person under the rules of FINRA, the New York Stock Exchange, Inc., any other U.S. self-regulatory organization, or the laws, rules or regulations of any State.

**European Investors:** This report is published, approved and distributed in the UK by the Bank and by CBA Europe Ltd ("CBAE"). The Bank and CBAE are both registered in England (No. BR250 and 05687023 respectively) and authorised and regulated in the UK by the Financial Services Authority ("FSA"). This report does not purport to be a complete statement or summary. For the purpose of the FSA rules, this report and related services are not intended for retail customers and are not available to them. The products and services referred to in this report may put your capital at risk. Investments, persons, matters and services referred to in this report may not be regulated by the FSA. CBAE can clarify where FSA regulations apply.

**Singapore Investors:** This report is distributed in Singapore by Commonwealth Bank of Australia, Singapore Branch (company number F03137W) and is made available only for persons who are Accredited Investors as defined in the Singapore Securities and Futures Act and the Financial Advisers Act. It has not been prepared for, and must not be distributed to or replicated in any form, to anyone who is not an Accredited Investor.

**Hong Kong Investors:** This report was prepared, approved and published by the Bank, and distributed in Hong Kong by the Bank's Hong Kong Branch. The Hong Kong Branch is a registered institution with the Hong Kong Monetary Authority to carry out the Type 1 (Dealing in securities) and Type 4 (Advising on securities) regulated activities under the Securities and Futures Ordinance. Investors should understand the risks in investments and that prices do go up as well as down, and in some cases may even become worthless. Research report on collective investment schemes which have not been authorized by the Securities and Futures Commission is not directed to, or intended for distribution in Hong Kong.

**All investors: Analyst Certification and Disclaimer:** Each research analyst, primarily responsible for the content of this research report, in whole or in part, certifies that with respect to each security or issuer that the analyst covered in this report: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the report. The analyst(s) responsible for the preparation of this report may interact with trading desk personnel, sales personnel and other constituencies for the purpose of gathering, synthesizing, and interpreting market information. Directors or employees of the Group may serve or may have served as officers or directors of the subject company of this report. The compensation of analysts who prepared this report is determined exclusively by research management and senior management (not including investment banking). No inducement has been or will be received by the Group from the subject of this report or its associates to undertake the research or make the recommendations. The research staff responsible for this report receive a salary and a bonus that is dependent on a number of factors including their performance and the overall financial performance of the Group, including its profits derived from investment banking, sales and trading revenue.

Unless agreed separately, we do not charge any fees for any information provided in this presentation. You may be charged fees in relation to the financial products or other services the Bank provides, these are set out in the relevant Financial Services Guide (FSG) and relevant Product Disclosure Statements (PDS). Our employees receive a salary and do not receive any commissions or fees. However, they may be eligible for a bonus payment from us based on a number of factors relating to their overall performance during the year. These factors include the level of revenue they generate, meeting client service standards and reaching individual sales portfolio targets. Our employees may also receive benefits such as tickets to sporting and cultural events, corporate promotional merchandise and other similar benefits. If you have a complaint, the Bank's dispute resolution process can be accessed on 132221.

Unless otherwise noted, all data is sourced from Australian Bureau of Statistics material ([www.abs.gov.au](http://www.abs.gov.au)).



## Research

Commodities		Telephone	Email Address
Luke Mathews	Agri Commodities	+612 9118 1098	luke.mathews@cba.com.au
Lachlan Shaw	Mining & Energy Commodities	+613 9675 8618	lachlan.shaw@cba.com.au

Economics		Telephone	Email Address
Michael Blythe	Chief Economist	+612 9118 1101	michael.blythe@cba.com.au
Michael Workman	Senior Economist	+612 9118 1019	michael.workman@cba.com.au
John Peters	Senior Economist	+612 9117 0112	john.peters@cba.com.au
James McIntyre	Economist	+612 9118 1100	james.mcintyre@cba.com.au

Fixed Income		Telephone	Email Address
Adam Donaldson	Head of Debt Research	+612 9118 1095	adam.donaldson@cba.com.au
Philip Brown	Fixed Income Quantitative Strategist	+612 9118 1090	philip.brown@cba.com.au
Alex Stanley	Associate Analyst, Fixed Income	+612 9118 1125	alex.stanley@cba.com.au
Michael Bors	Credit Research Analyst	+612 9118 1108	borsma@cba.com.au
Steve Shoober	Credit Research Analyst	+612 9118 1096	steve.shoober@cba.com.au
Winnie Chee	Securitized Product	+612 9118 1104	winnie.chee@cba.com.au
Tally Dewan	Quantitative Analyst	+612 9118 1105	tally.dewan@cba.com.au
Kevin Ward	Database Manager	+612 9118 1960	kevin.ward@cba.com.au

Foreign Exchange		Telephone	Email Address
Richard Grace	Chief Currency Strategist	+612 9117 0080	richard.grace@cba.com.au
Joseph Capurso	Currency Strategist	+612 9118 1106	joseph.capurso@cba.com.au
Peter Dragicevich	FX Economist	+612 9118 1107	peter.dragicevich@cba.com.au
Andy Ji	Asian Currency Strategist	+65 6349 7056	andy.ji@cba.com.au

Delivery Channels & Publications		Telephone	Email Address
Monica Eley	Internet/Intranet	+612 9118 1097	monica.eley@cba.com.au
Ai-Quynh Mac	Information Services	+612 9118 1102	maca@cba.com.au

New Zealand		Telephone	Email Address
Chris Tennent-Brown	CBA NZ Economist	+64 9374 8819	chris.tennent-brown@asb.co.nz
Nick Tuffley	ASB Chief Economist	+64 9374 8604	nick.tuffley@asb.co.nz
Jane Turner	Economist	+64 9374 8185	jane.turner@asb.co.nz
Christina Leung	Economist	+64 9369 4421	christina.leung@asb.co.nz

## Sales

Institutional	Telephone	Equities	Telephone
Syd FX	+612 9117 0190	Syd	+612 9118 1446
	+612 9117 0341	Asia	+613 9675 6967
Credit	+612 9117 0020	Lon/Eu	+44 20 7710 3573
Japan Desk	+612 9117 0025	NY	+1212 336 7749
Melb	+613 9675 6815		
	+613 9675 7495	<b>Corporate</b>	<b>Telephone</b>
	+613 9675 6618	NSW	+612 9117 0377
	+613 9675 7757	VIC	+612 9675 7737
Lon FX	+44 20 7329 6266	SA	+618 8206 4155
Debt & Derivatives	+44 20 7329 6444	WA	+618 9482 6044
Corporate	+44 20 7710 3905	QLD	+617 3015 4525
HK	+852 2844 7538	NZ	+64 9375 5738
Sing	+65 6349 7077	Metals Desk	+612 9117 0069
NY	+1212 336 7739	Agri Desk (Corp)	+612 9117 0157
		Agri Desk	+612 9117 0145