

## US shares & yields higher. USD lower. AUD at USD1.05.

The US Federal Housing Finance Agency reported that home prices fell by 0.3pct in March to be down 5.8pct on a year ago. And US durable goods orders fell by 3.6pct in April after a 4.4pct lift in March. Economists had tipped a fall of 2.2pct.

French finance minister Christine Lagarde has indicated her interest to lead the International Monetary Fund.

European shares rose for a second day on Wednesday with bargain hunters lifting banking stocks. The STOXX Europe 500 banks index rose by 2.1pct. But miners were mixed - in London trade shares in BHP-Billiton were flat while Rio Tinto rose by 0.8pct. The FTSEurofirst index closed up 0.7pct while the German Dax rose by 0.3pct and the UK FTSE edged 0.2pct higher.

US sharemarkets rebounded on Wednesday. But luxury goods retailer Polo Ralph Lauren was amongst the losers with shares down 11.4pct after weak profit figures. Sharemarket trade was volatile, especially in the last hour of trade with the Dow quickly putting on 44pts only to lose all the momentum. But at the close, the Dow Jones was higher by 38pts or 0.3pct with the S&P 500 up 0.3pct and the Nasdaq gained 15pts or 0.6pct.

US treasuries eased on Wednesday (yields higher) as investors again had a taste for riskier assets like equities and commodities, in preference to government bonds. US 2yr yields rose by 2pts to 0.535pct and US 10yr yields rose by 1pt to 3.125pct.

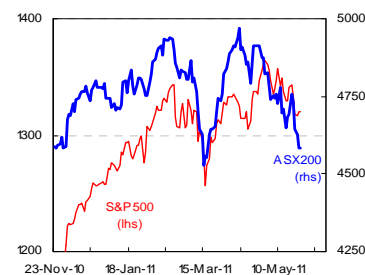
The US dollar eased against major currencies on Wednesday as risk appetite improved. The Euro rose from lows near US\$1.4015 to US\$1.4115, ending US trade near US\$1.4085. The Aussie dollar rose from lows near US\$104.35c to US\$105.45c before ending US trade near US\$105.25c. And the Japanese yen held between 81.80 yen per US dollar and JPY82.15, ending US trade near JPY81.95.

US crude oil prices rose by almost 2pct on Wednesday, supported by a weaker greenback and a drop in US distillate inventories (includes heating oil and diesel fuel) in the past week. Distillate stocks fell by 2.05 million barrels to a 26-month low of 141 million barrels. The Nymex crude oil contract rose by US\$1.73 or 1.7pct to US\$101.32 a barrel and London Brent crude rose by US\$2.40 to US\$114.93 a barrel.

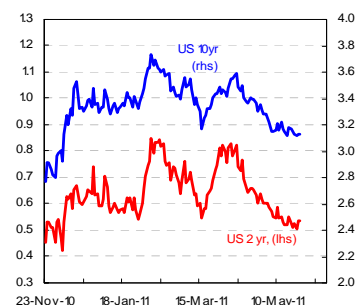
Base metal prices again rose on the London Metal Exchange on Wednesday in line with other commodities as risk appetite improved and the greenback softened. Metals rose between 1.4-2.6pct with zinc faring best. And the gold price also lifted modestly with Comex gold futures up by US\$3.40 an ounce to US\$1,526.70.

**Ahead:** In Australia private business investment (capex) data for the March quarter is released. Reserve Bank Deputy Governor Ric Battellino delivers a speech. In the US revised GDP data is released together with weekly jobless claims.

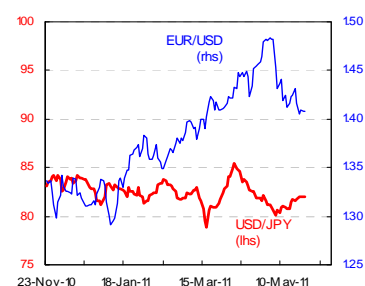
S&amp;P 500 &amp; ASX200



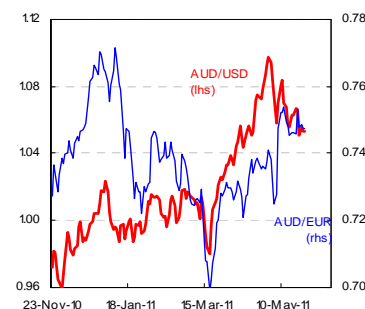
US BOND YIELDS



USD/JPY &amp; EUR/USD



AUD/USD &amp; AUD/EUR



Currencies			10 Yr Bond Yields (%)			Commodities			Equities		
AUD/USD	1.0530	-0.3%	Australia	5.13	-0.04	CRB Index	344.44	1.6%	Dow	12,395	0.3%
NZD/USD	0.7978	0.2%	NZ	5.14	-0.02	GS Index	#N/A	N/A	S&P 500	1,320	0.3%
EUR/USD	1.4085	-0.1%	US	3.13	0.02	Aluminium \$/t	2528	1.38%	NASDAQ	2,761	0.6%
USD/JPY	81.97	0.0%	AU less US	1.99		Copper \$/t	9059	2.37%	FTSE	5,870	0.2%
GBP/USD	1.6275	0.6%	NZ less US	2.01		Lead \$/t	2536	1.36%	Shanghai	2,742	-0.9%
USD/CHF	0.8727	-0.8%	<b>AUD Swap Rates (%)</b>			Nickel \$/t	23399	2.25%	H.Seng	22,747	0.1%
AUD/NZD	1.3192	-0.5%	3mth	5.02	0.03	Zinc \$/t	2227	2.59%	Nikkei	9,423	-0.6%
AUD/JPY	86.31	-0.3%	3yr	5.25	0.02	Gold \$/o	1525.2	-0.1%	ASX200	4,585	-1.0%
AUD/EUR	0.7476	-0.2%	5yr	5.58	0.02	WTI Oil \$/b	100.72	1.6%	NZSX50	3,554	-0.1%

Indicative market rate at 7am Source: Bloomberg

Michael Workman Senior Economist T. +612 9118 1019 E. michael.workman@cba.com.au



## Economics: Preview

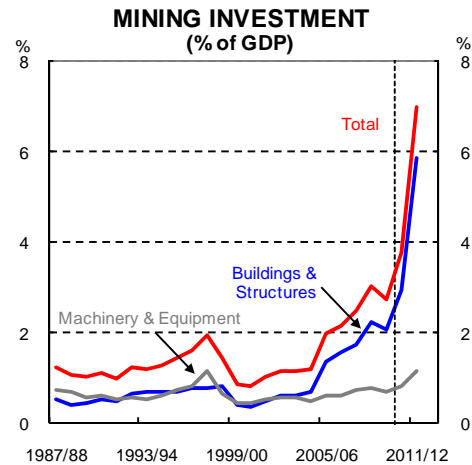
### AUSTRALIA & NEW ZEALAND

**Thursday 26 May**

#### **AU CAPEX, QI, q%ch, (f) 4.0 (1.3 prev)**

New capital spending lifted by 1.3% in QIV, increasing to a record high \$29.7bn. The rise in the December quarter was driven by a robust 6.1% increase in machinery and equipment. In contrast, buildings and structures reversed some of the previous quarter's gains, falling by 2.8% in QIV. Significantly, expenditure intentions indicated that nominal mining investment is expected to double from 2010/11 to 2011/12. The ongoing surge in mining investment continues to be the driving force. The first estimate of 2011/12 mining investment was \$76bn, a 55.8% lift on the equivalent estimate for the previous year. Consequently, if intentions are met, mining investment could lift to 7% of nominal GDP in 2011/12. It was only 1% a decade ago.

The QI data will provide an updated look at investment intentions for 2011/12. We expect capital expenditure to remain robust in 2011. We are anticipating a rise of 4% in QI.

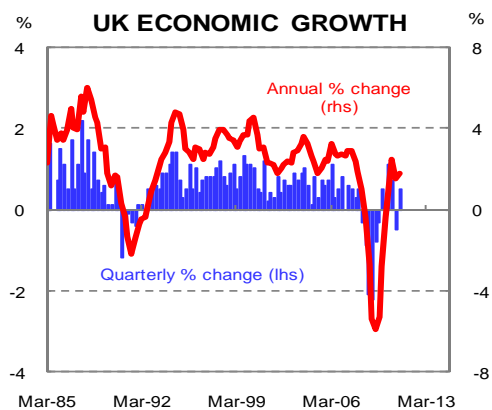


### INTERNATIONAL

**Wednesday 25 May**

#### **UK GDP, QI P, q/y%ch, (0.5/1.8 prev)**

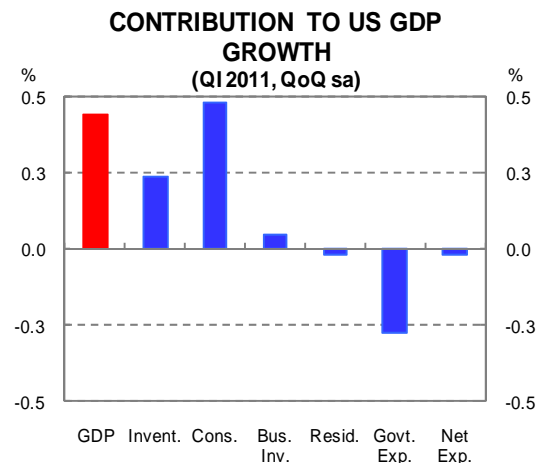
The initial estimate of QI UK GDP indicated that in the first three months of 2011 the UK economy had all but recovered the largely weather induced contraction experienced in late 2010. Hence, over QIV and QI, growth in the UK economy was flat. The 0.5% growth experienced in QI was a function of a 0.9% quarterly surge in service industries. This is significant as the services industry constitutes almost 75% of the UK economy. Manufacturing also rebounded in QI, rising 1.1% in the quarter, or 4.8% in the year. The relative weakness of the GBP remains a positive for UK export orientated manufacturers. In contrast, construction remains a major drag on the UK economy. In QI construction declined 4.7%, the most in two years.



**Thursday 26 May**

#### **US GDP, QI, q%ch saar, (1.7 prev)**

The US economic expansion decelerated by more than expected in QI. US GDP grew at an annualised 1.7% pace in the first three months of 2011. The rate of growth in QI was the slowest since QII 2010. However, the below trend QI economic growth was largely a result of transitory factors. The primary drag on the economy in the March quarter was the 5.4% annualised reduction in Government Expenditure, the largest fall in 11 years. National defence spending declined by its strongest annual pace (11.7%) since 2005. The drawn out US Federal Government budget negotiations capped defence spending. Budget rules prevented the Defence Department from starting or revising programs, while outlays were frozen at 2010 fiscal levels. Significantly, private consumption, which accounts for some 70% of the US economy, continues to grow rather robustly. In QI, private consumption increased by 2.7% (annualised).





Given that a large number of the headwinds to growth in Q1 were temporary, we remain confident that the US economy will strengthen further in coming quarters.

**Thursday 26 May**

**US Initial Jobless Claims, 21 May, '000, (409 prev)**

**US Continuing Claims, 14 May, '000, (3711 prev)**

In the week ended 14 May, US initial jobless claims declined to 409,000, a four week low. In recent weeks the four week moving average (4WMA) for jobless claims has trended higher. The 4WMA is currently at levels not seen since November 2010. In contrast, continuing claims have not experienced such a large relative upswing. In the week ended 7 May continuing jobless claims were 3.711mn. Despite the recent lift, the level of continuing claims is some 42% lower compared to a year earlier.

It appears that the recent upturn in jobless claims has been a function of various one-off and seasonal factors. In general, the US labour market has been showing signs of improvement in recent months. However, the Federal Open Market Committee continues to express concern about the pace of the labour market recovery. As a consequence of the ongoing large US output gap, we expect monetary policy to remain accommodative in the US until the end of 2011.

**Friday 27 May**

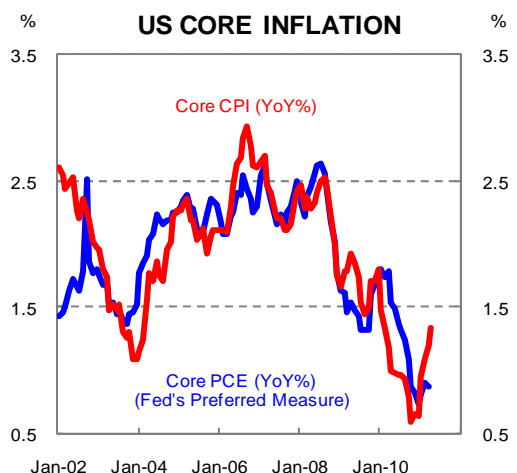
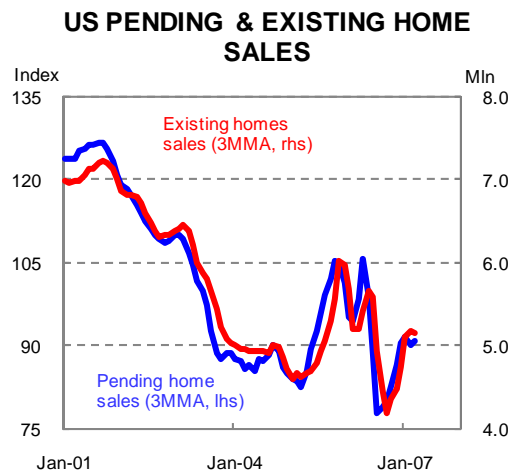
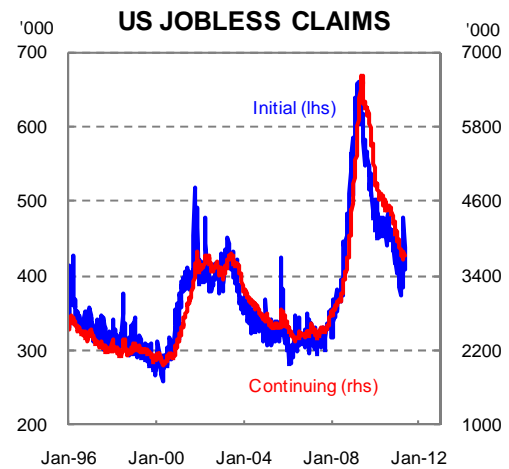
**US Pending Home Sales, Apr, m/y%ch, (5.1/-11.5 prev)**

In March, pending home sales increased 5.1%, but remained some 11.5% weaker compared to a year earlier. The recent improvement in the labour market, coupled with declining home prices and the attractive low relative borrowing costs appears to have brought on the recent lift. While pending home sales are often used as a leading indicator for the property market, as they track contract signings, it should be noted that they are notoriously volatile. Hence, despite rising in the past two months, pending homes sales have actually tracked sideways over the past five months. That being said, it does appear that pending home sales have bottomed. However, any significant and sustained acceleration is unlikely in the short to medium term, given the relatively drawn out recovery in the labour market.

**Friday 27 May**

**US PCE Core, Apr, m/y%ch, (0.1/0.9 prev)**

In March, the US Federal Reserve's (Fed) preferred measure of inflation, the PCE (excluding food and fuel) matched the previous months annual pace, rising by 0.9%. In the month, the PCE core rose 0.1%. Given the recent results, it appears that underlying price pressures are beginning to develop in the US economy, albeit at a rather subdued pace. Despite the upturn, any significant acceleration in core prices appears unlikely in the short-term. The ongoing struggle for producers to pass on higher input costs to consumers, due to a lack of competitive pressures, remains an obvious concern. The lack of sustained price pressures remains a cornerstone for the Fed's decision to keep monetary policy accommodative for an extended period. Although QEII ends in June, the move to tighten policy will remain contingent on the strength of the incoming US economic data.





## Economics: Review

### AUSTRALIA & NEW ZEALAND

#### Australia

**Yesterday in Australia the QI construction work done figures were released.** The volume of construction work done rose by 0.7%, driven by a solid rise in private sector activity.

Public sector activity fell in the residential and non-residential sectors, as fiscal stimulus wore off.

Engineering construction activity continues to lift, as infrastructure and mining construction activity gears up.

The QI construction work done data illustrates the divergent trends at play in the economy. Private sector construction activity is recovering in aggregate. Total private construction work done rose 2.5% in QI, to be 8.8% higher than a year ago.

But the strength is lopsided (engineering), or in sectors expected to experience weakness in future (residential). Private construction activity reached a new record high, but private non-residential construction is at 6-year lows.

Private residential construction activity rose by a surprisingly strong 3.5% in QI, against a backdrop of weakening approvals data and rising interest rates.

The removal of fiscal stimulus is dragging on the economy. Public residential and non-residential construction activity both experienced declines of ~20% in QI as the unwinding of stimulus spending accelerated. Strength in public engineering construction (infrastructure) held up overall construction activity in QI. Public engineering construction rose 6.4% in QI, to be 7.7% higher than a year ago.

Signs of emerging price pressures are evident in the construction sector data. The construction deflator lifted 0.8% in QI, taking annual growth to 2.6%. The pace of construction sector inflation is set to pick up from here, but divergences between sectors are likely initially. Construction inflation resumed in QI 2010, but the pace has been accelerating. As activity in the sector picks up, the risks lie with a further acceleration as supplies of labour and materials tighten. Skills shortages could become more evident, and costly for projects underway. Tomorrow's QI Capex figures are likely to show that investment expectations remain extremely strong in 2011/12. Rising construction costs, particularly in the engineering construction segment, could result in cost blowouts and schedule delays for major projects.

#### New Zealand

No major economic data was released yesterday.

#### RBA view

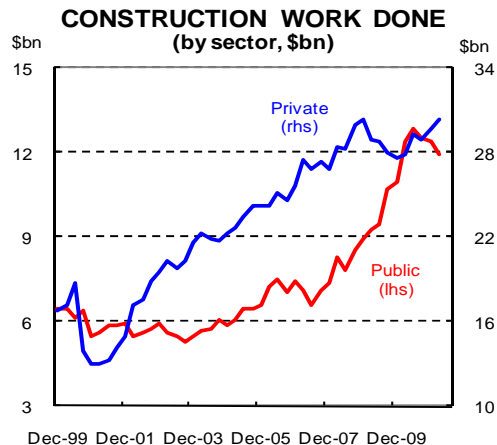
*The RBA has raised its inflation and growth outlook despite downward pressure from the high \$A. Further rate rises are likely. We expect rates to reach 5.25% by QIV 2011.*

#### RBNZ view

*In response to domestic economic weakness and the Christchurch earthquake, the RBNZ delivered a 50bpt rate cut at the 10 March policy meeting. We expect the RBNZ's tightening cycle to resume in QI 2012.*

### US & CANADA

#### United States





- **US durable goods orders** were weaker than expected in April, largely due to supply disruptions in Japan. The 3.6% decline unwinds some of the 4.4% increase in March. Market expectations were for a 2.5% decline. Much of the decline was due to slump in aircraft orders, with Boeing affected by a component shortage due to disruption in Japan.
- **US house prices fell 2.5% over Q1**, to be 5.5% lower on year-ago levels. The high number of foreclosure sales continues to weigh on house prices. Foreclosure sales have accounted for 38% of house sales this year. Research done a US real-estate company shows that foreclosure sales prices are usually 28% below prices on non-distressed houses.
- **Stronger commodity prices** helped boost US equity market in late trade overnight, helping shrug off the weaker economic data.
- **Oil prices lifted to a 2 week high**, following a report that US inventories of diesel and heating oil have fallen to the lowest level in 2 years on the back of strong demand.

## Canada

- No major data releases on Wednesday.

### Fed view

*A debate about ending the QE program is underway. We expect the QE program will end in June and the first Fed Funds hike in QIV 2011.*

### Bank of Canada view

*The Canadian economy is recovering, and the BoC has begun to remove stimulus. We expect a slow and steady removal of policy accommodation to ensue.*

## EUROZONE & UK

### Eurozone

- No major data released on Wednesday.
- G8 Leaders meet in Deauville tonight and Friday.

### UK

- **UK GDP growth** was unrevised from its previous estimate of 0.5% over Q1. The increase follows a 0.5% contraction over Q4. Underpinning Q1 growth was a 3.7% lift in exports, resulting in a net export contribution of 1.7 percentage points. Domestic demand remains fragile, with consumer spending falling 0.6% and company investment down 4.4%. Government sector cut backs are expected to weigh on economic activity going forward.

### ECB view

*Elevated inflation in the Eurozone has led to the ECB commencing tightening in an effort to pre-empt the onset of second round inflation effects. We expect the ECB to raise rates again in QIV 2011.*

### Bank of England view

*Members of the BoE are becoming more concerned about UK inflationary pressures. But, most members expect significant spare capacity to dull the near-term pressures. We expect the first move in QII 2011.*

## CHINA & JAPAN

### Japan

- **Japan exports** fell in line with market expectations over April, 12.5% lower on year-ago levels. The decline in exports follows the earthquake and tsunami in March, resulting in power shortages and disruption to manufacturing production activity. Reflecting the extent of disruptions, exports of automobiles fell to its second lowest level on record since data began in 1979. (Source Bloomberg).



## China

- No major data released.

## Bank of Japan

*In response to the recent natural disasters, the Bank of Japan has implemented further quantitative easing measures. Monetary policy in Japan is likely to remain accommodative for some time.*



## The Week Ahead

### Calendar - Australasia, Japan and China

Date	Time		Event	Period	Unit	Last	Forecast		
	AEST	Econ					Market	CBA	
Mon 23 May	12.30	CH	HSBC flash China manufacturing PMI	May	Index	51.8	~	~	
	15.00	JP	Coincident index	Mar	Index	103.6	~	~	
	15.00	JP	Leading index	Mar	Index	99.5	~	~	
	15.00	JP	Supermarket sales	Apr	y%ch	0.3	~	~	
Tue 24 May	13.00	NZ	RBNZ 2yr inflation expectation	QII	%	2.6	~	~	
Wed 25 May	09.50	JP	Merchandise trade balance total	Apr	¥bn	189.4	-696.1	~	
	09.50	JP	Adjusted merchandise trade balance	Apr	¥bn	96.3	-651.1	~	
	09.50	JP	Merchandise trade exports	Apr	y%ch	-2.3	-12.7	~	
	09.50	JP	Merchandise trade imports	Apr	y%ch	11.9	12.8	~	
	10.00	AU	Conference board leading index	Mar	%	0.6	~	~	
	10.30	AU	Westpac leading index	Mar	m%ch	0.4	~	~	
	11.00	AU	Consumer inflation expectation	May	%	3.5	~	~	
Thu 26 May	11.30	AU	Construction work done	QI	m%ch	0.8	~	3.0	
	09.15	AU	Speech by Ric Battellino, Deputy Governor, to the 2011 Annual Stockbrokers Conference, Hilton Hotel, Sydney						
	09.50	JP	Corporate service price index	Apr	y%ch	-1.2	-1.1	~	
	10.30	AU	CBAHIA House Affordability	QI	Index	53.5	~	~	
	11.30	AU	Capex	QI	q%ch y%ch	1.3 5.6	~ ~	4.0 ~	
Fri 27 May	09.30	JP	National CPI	Apr	y%ch	0.0	0.3	~	
	09.30	JP	National CPI ex-fresh food	Apr	y%ch	-0.1	0.6	~	
	09.30	JP	National CPI ex food and energy	Apr	y%ch	-0.7	0.0	~	
	09.50	JP	Retail trade	Apr	m%ch y%ch	-7.6 -8.3	3.9 -5.1	~ ~	
	09.50	JP	Large retailers' sales	Apr	%	-7.7	-1.6	~	
	11.35	CH	MNI business condition survey	May	Index	69.3	~	~	
	12.00	CH	Industrial profits	Apr	ytd y%ch	32.0	~	~	



## Calendar – North America &amp; Europe

Date	Time		Event	Period	Unit	Last	Forecast	
	AEST	Econ					Market	CBA
Mon 23 May	08.30	GE	PMI manufacturing	May	Index	62.0	61.1	~
	08.30	GE	PMI services	May	Index	56.8	57.0	~
	09.00	EZ	PMI composite	May	Index	57.8	57.4	~
	09.00	EZ	PMI manufacturing	May	Index	58.0	57.5	~
Tue 24 May	07.00	GE	GDP	QI F	q%ch	1.5	1.5	~
	09.00	GE	IFO - current assessment	May	Index	116.3	~	~
	09.00	GE	IFO - expectations	May	Index	104.7	~	~
	10.00	EZ	Industrial new orders nsa	Mar	m%ch	0.8	-1.8	~
	15.00	US	New home sales	Apr	'000	300	305	~
	15.00	US	Richmond Fed manufacturing index	May	Index	10	10	~
Wed 25 May	09.30	UK	Total business investment	QI P	q%ch	0.0	~	~
	09.30	UK	Private consumption	QI P	q%ch	-0.3	0.2	~
	09.30	UK	Exports	QI P	q%ch	1.7	~	~
	09.30	UK	Imports	QI P	q%ch	3.2	~	~
	09.30	UK	Government spending	QI P	q%ch	0.4	~	~
	09.30	UK	Gross fixed capital formation	QI P	q%ch	-1.8	~	~
	09.30	UK	GDP	QI P	q%ch	0.5	0.5	~
					y%ch	1.8	1.9	~
	13.30	US	Durable goods orders	Apr	m%ch	4.1	-2.0	~
	13.30	US	Durables ex transportation	Apr	m%ch	2.3	0.6	~
15.00	US	House price index	Mar	m%ch	-1.6	-0.6	~	
Thu 26 May	13.30	US	GDP (annualised)	QI S	q%ch saar	1.8	2.2	~
	13.30	US	Personal consumption	QI S	q%ch saar	2.7	2.8	~
	13.30	US	Core PCE	QI S	q%ch saar	1.5	1.5	~
	13.30	US	Initial jobless and continuing claims	May	'000	~	~	~
Fri 27 May	00.01	UK	GfK consumer confidence survey	May	Index	-31.0	-32	~
	10.00	EZ	Economic confidence	May	Index	106.2	~	~
	13.30	US	Personal income	Apr	m%ch	0.5	0.4	~
	13.30	US	Personal spending	Apr	m%ch	0.6	0.4	~
	13.30	US	PCE core	Apr	m%ch	0.1	0.2	~
					y%ch	0.9	1.0	~
	14.55	US	University of Michigan confidence	May F	Index	72.4	72.4	~
	15.00	US	Pending home sales	Apr	m%ch	5.1	-1.0	~



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 Shoobert	Credit Research Analyst	+612 9118 1096	steve.shoobert@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