

Investor Signposts: Week beginning August 7, 2022

Upcoming economic and financial market events

Australia

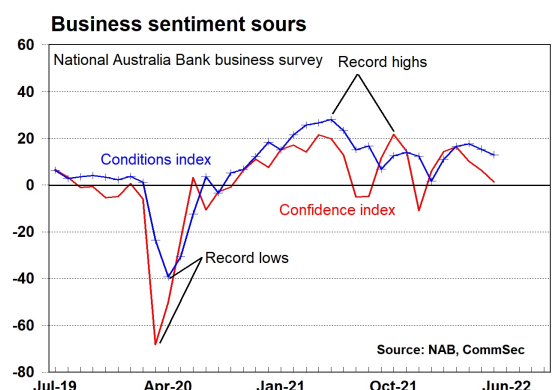
Tuesday August 9	◆ CBA Household Spending Intentions (July)	<i>Leading indicator of consumer spending</i>
Tuesday August 9	◆ Weekly consumer confidence index (August 7)	<i>From ANZ and Roy Morgan</i>
Tuesday August 9	◆ Monthly consumer confidence index (August)	<i>From Westpac and Melbourne Institute</i>
Tuesday August 9	◆ NAB business survey (July)	<i>Record purchase growth and labour costs</i>
Tuesday August 9	◆ Monthly household spending indicator (June)	<i>From the Bureau of Statistics</i>
Tuesday August 9	◆ Monthly business turnover indicator (June)	<i>From the Bureau of Statistics</i>
Thursday August 11	◆ Weekly payroll jobs and wages (July 16)	<i>Leading indicator of jobs and wages growth</i>

Overseas

Sunday August 7	◆ China International trade (July)	<i>China's trade surplus is at record highs</i>
Tuesday August 9	◆ US NFIB small business optimism index (July)	<i>At the lowest level since 2013</i>
Tuesday August 9	◆ US Labour costs and productivity (June quarter)	<i>Unit labour costs may have lifted 9.8%</i>
Tuesday August 9	◆ US Consumer inflation expectations (July)	<i>Hit a record high of 6.8% in June</i>
Wednesday August 10	◆ China Consumer and producer prices (July)	<i>Consumer prices are up 2.5% on a year ago</i>
Wednesday August 10	◆ US Consumer Price index (CPI, July)	<i>Core inflation may have lifted 0.6% in July</i>
Wednesday August 10	◆ US Monthly budget statement (July)	<i>The deficit was US\$88.8bn in June</i>
Thursday August 11	◆ US Producer Price index (PPI, July)	<i>Headline prices are expected to lift 0.2%</i>
Thursday August 11	◆ US Import and export prices (July)	<i>Import prices may have dropped 1.3%</i>
Friday August 12	◆ US Uni. of Michigan consumer sentiment (August)	<i>Confidence is near record lows</i>

Australia: Consumer and business confidence surveys in focus

- In the coming week, Aussie consumer and business confidence surveys dominate the economic data docket.
- The week kicks-off **on Tuesday** when the Commonwealth Bank (CBA) Household Spending Intentions index for July is issued alongside the June Household Spending Indicator from the Australian Bureau of Statistics (ABS).
- **Also on Tuesday**, ANZ and Roy Morgan jointly issue the weekly consumer confidence survey. And Westpac and the Melbourne Institute jointly release the August consumer confidence survey. The sentiment surveys will highlight consumer worries about rising borrowing costs and interest rates. The main positive is the strength of the job market.
- The ABS also releases its business turnover indicator for June and the National Australia Bank (NAB) issues its July business survey **on Tuesday**. The NAB measure of business sentiment hit a 6-month low in June, with record-high costs and rising borrowing costs both major drags on the outlook. That said, business conditions remained solid in June, despite an easing of the key profitability, trading and employment sub-indexes.
- **And on Thursday**, the ABS releases the weekly payroll jobs and wages data for the fortnight ended July 16, 2022. Payroll jobs growth has been slower in 2022 than 2021, apart from the rise in jobs around the May federal election in the Public administration and safety industry.



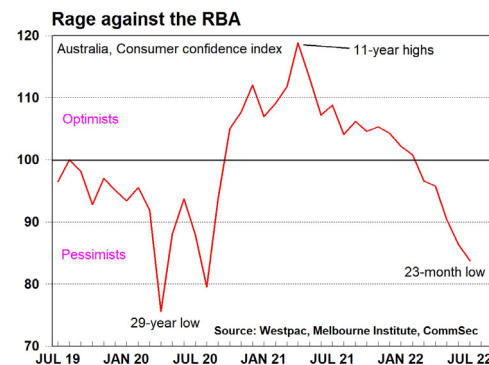
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Overseas: US and Chinese inflation figures dominate

- In the coming week, both US and Chinese inflation data dominate investor attention.
- **The week kicks-off on Sunday in China** when international trade figures for July are scheduled. China's trade surplus hit a record high in June as exports surged after Shanghai emerged from its "Covid-Zero" lockdowns and virus outbreaks eased. But weaker global demand is set to weigh on the trade outlook for the rest of the year.
- **On Tuesday in the US**, the weekly Johnson Redbook chain store sales report is scheduled with the IBD/TIPP economic optimism and National Federation of Independent Business (NFIB) small business optimism indexes. In June, the NFIB index fell to the lowest level since 2013, with soaring inflation and labour challenges the top issues for business owners.
- **Also on Tuesday**, the US Bureau of Labor Statistics issues the June quarter unit labour costs and non-farm productivity readings. And the Federal Reserve Bank of New York releases consumer inflation expectations data for July. The June reading of 6.8 per cent was a new record high.
- **On Wednesday in China**, inflation figures for July are scheduled. In June, rising pork costs drove consumer inflation higher to an annual rate of 2.5 per cent. But core consumer prices (excluding food and energy) were little changed, signalling that "Covid-Zero" restrictions continue to stifle consumer mobility and spending.
- **On Wednesday in the US**, consumer prices data will dominate investor attention. The Consumer Price Index (CPI) rose by 1.3 per cent in June to be up 9.1 per cent over the year – the highest annual rate in 41 years. The core CPI (which excludes food and energy prices) rose by 0.7 per cent to be up 5.9 per cent over the year. Economists expect that the headline CPI lifted by 0.3 per cent in July with the core measure up 0.6 per cent. The annual growth rate of headline consumer prices could slow from 9.1 per cent to 8.8 per cent in July.
- **Also on Wednesday**, weekly data on mortgage applications is released from the Mortgage Bankers Association alongside the monthly budget statement and the final readings for wholesale inventories and trade sales. A budget deficit of US\$88.8 billion was posted in June.
- **On Thursday in the US**, the usual weekly data on claims for unemployment insurance (initial jobless claims) will be issued with producer prices data for July. The measure of 'final' demand jumped by 1.1 per cent in June to be up 11.3 per cent on a year ago. Economists expect headline producer prices lifted by 0.2 per cent in July.
- **On Friday in the US**, economists expect that import prices fell by 1.3 per cent in July with export prices 1.4 per cent lower. But most attention will be on the release of the preliminary University of Michigan consumer sentiment survey for August. Confidence hit record lows in June and a large proportion of respondents continue to expect long-term inflation to be above 5.0 per cent, weighing on sentiment.
- **During the week in China**, credit growth data, including updates on aggregate financing, new loans and money supply are scheduled for July.



Australian corporate reporting season

- Amongst the Aussie companies expected to release earnings results and updates in the coming week:
 - **Monday:** Suncorp; Charter Hall Long Wale REIT; Aurizon Holdings.
 - **Tuesday:** News Corp; REA Group; National Australia Bank; Megaport; Coronado Global Resources.
 - **Wednesday:** Computershare; Commonwealth Bank; 88 Energy; Centuria Capital Group; 5E Advanced Materials.
 - **Thursday:** Arena REIT; GQG Partners; AMP; QBE Insurance; Alliance Aviation; Garda Property Group; Mirvac Group; Telstra.
 - **Friday:** ResMed; Avita Medical; Insurance Australia Group; Enero Group; HealthCo REIT; Bell Financial Group; Baby Bunting; Stanmore Resources.

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