

May 1, 2025

Investor Signposts: Week beginning May 4, 2025

Upcoming economic and financial market events

Australia

Monday May 5	◆ Melbourne Institute inflation gauge (April)	<i>At the highest level since December 2023</i>
Monday May 5	◆ ANZ-Indeed job advertisements (April)	<i>The series has remained steady for seven months</i>
Tuesday May 6	◆ Monthly household spending indicator (March)	<i>Spending could lift 0.5%</i>
Tuesday May 6	◆ Building approvals (March)	<i>Council consents are tipped to fall 1.5%</i>
Wednesday May 7	◆ Selected Living Cost Indexes (LCI, March quarter)	<i>A gauge of cost-of-living pressures</i>
Friday May 9	◆ Monthly business turnover indicator (March)	<i>Turnover was up in six industries in February</i>

Overseas

Monday May 5	◆ US ISM services index (April)	<i>Tipped to fall from 50.8 to 50.1</i>
Monday May 5	◆ US S&P Global services index (April)	<i>Expected to decrease from 54.4 to 51.4</i>
Tuesday May 6	◆ China Caixin services index (April)	<i>Tipped to ease from 51.9 from 51.8</i>
Tuesday May 6	◆ US international trade balance (March)	<i>A deficit of US\$119.5bn is expected</i>
Wednesday May 7	◆ US Federal Reserve (FOMC) interest rate decision	<i>No change in the Federal funds rate is expected</i>
Wednesday May 7	◆ US consumer credit (March)	<i>Total credit could grow US\$10bn</i>
Thursday May 8	◆ Bank of England (BOE) interest rate decision	<i>A 25-basis point rate cut to 4.25% is expected</i>
Thursday May 8	◆ US nonfarm productivity & unit labour costs (Mar. qtr.)	<i>Labour costs expected to lift 5.4%</i>
Thursday May 8	◆ US 1-year consumer inflation expectations (April)	<i>At the highest level since October 2023</i>
Friday May 9	◆ China international trade (April)	<i>Exports are expected to fall 2.0% on a year ago</i>
Saturday May 10	◆ China consumer and producer prices (April)	<i>Consumer prices are down 0.1% on a year ago</i>

Aussie "Big Four" bank earnings in spotlight alongside US and UK interest rate decisions

- In Australia, "Big Four" bank earnings take centre stage in the absence of local tier-1 economic data releases. On **Monday**, Westpac is scheduled to report results, followed by the National Australia Bank (NAB) on **Wednesday** and ANZ Group on **Thursday**. Investors will likely focus their attention on the industry's core profit metrics, which have been under pressure from intense mortgage-writing and commercial lending competition. Expectations for further Reserve Bank interest rate cuts could erode profitability for a sector that's already moved to lower home loan rates.
- On **Wednesday**, the US Federal Reserve Open Market Committee (FOMC) hands down its much-anticipated interest rate decision. Federal Reserve officials, including Chair Jerome Powell, have recently indicated they see no urgency for a change in monetary policy as they seek more information to determine how the Trump administration's trade tariffs are affecting the US economy. Commonwealth Bank (CBA) Group economists expect the FOMC to cut the Federal funds rate by 25 basis points in July, September, December and March 2026.
- On **Thursday**, the Bank of England (BOE) is expected to cut the bank rate by a quarter point to 4.25%. CBA Group economists have forecast a 2025 year-end UK interest rate of 3.75%. BOE Governor Andrew Bailey recently said the central bank had to take "very seriously the risk to growth" from global trade tensions, given Britain's reliance on foreign trade and investment.
- On Wall Street, the March quarter company earnings season winds-down. Scheduled to report results are Ford and Palantir Technologies (**Monday**); Advanced Micro Devices, Lucid and Rivian (**Tuesday**); ARM Holdings, Barrick Gold, Occidental Petroleum, Uber and Walt Disney (**Wednesday**); and Illumina, Pinterest and Shopify (**Thursday**).

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