



– **DAILY COMMENTARY** BY THE CURVE TEAM –

TRUMP IS NOT MUCKING AROUND

16th of April, 2018

Geopolitical tensions are on the rise after the Trump-led strikes on Syria, but the impact on the market was muted.

Domestically, it was relatively quiet on Friday and into the weekend. Most of the weekend's market events revolved around geopolitical tensions, after Trump launched missiles into Syria.

The market appears to be desensitised to events like this so there were not any material moves as a result of the strikes. We should note that Trump is a good chance of following through on other threats, particularly involving Assad's use of chemical weapons.

Russia and Iran could be in the crosshairs soon for their support of Assad, with Trump stating "the nations of the world can be judged by the friends they keep." Geopolitical tensions have been front page news since the trade tariffs and these threats only add to the ongoing global tension.

In terms of data over the weekend, US consumer confidence fell to 97.8 in April but remained at a comparatively high level after strong readings in recent months. Retail sales in the US is their next major data release, out tonight.

In Aus & NZ, we have a number of data reads to look forward to this week. The labour market report on Thursday will be the main local focus point. Expectations are for the unemployment to dip 0.1% to 5.5% if employment adds just 25k. New Zealand CPI is out this Thursday, with the market expecting just 0.3% for the quarter. The inflation story over there is even softer than ours, with their annual rate below 1.00%.



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