

Proactive Investors Australia

03:42 21 May 2019

S&P/ASX 200 gets a boost from banks as housing expectations rise

S&P/ASX 200 (INDEXASX:XJO) was a bit flustered on the open today after a release from banking regulator APRA circulated before the open.

APRA proposed that the 7% serviceability buffer on home loans be removed, which is good news for borrows and the housing market.

All the big four banks are trading between 1-2% higher at around lunch.

RBA meeting minutes suggest door is still open for a rate cut

At 11.30am today the Reserve Bank of Australia released its meeting minutes from its most recent interest rate decision meeting, providing further insight into future policy moves.

The notes confirmed the RBA will continue to pay close attention to developments in the labour market and set monetary policy to support sustainable growth in the economy and achieve the inflation target over time.

The market took this to say that a rate cut is on the cards if there is no improvement in the employment data.

[VIDEO] Mid-Session: Local shares were weighed down in early trade reflecting the losses on Wall Street, although the Index found its footing helped by the minutes from the last RBA meeting. <https://t.co/fBeHcWwwoS> #ausbiz

— CommSec (@CommSec) May 21, 2019

Pre-market: S&P/ASX 200 set for negative start as US markets fall on Huawei ban

ASX 200 futures are pointing to a weak start today after US China tensions flared again on reports that US companies are cutting supplies to Huawei.

Both the S&P 500 Index (INDEXSP:.INX) and the Nasdaq Composite (INDEXNASDAQ:.IXIC) finished lower with semiconductor companies the worst hit, the semiconductor index was down 4%.

Alphabet's (NASDAQ:GOOGL) Google yesterday moved to restrict its dealings with Chinese telco giant Huawei.

The major U.S. indices all closed in the red, with the Dow dropping 0.33%, the S&P 500 falling about 0.67% and the Nasdaq closing down 1.46%. Tech was the day's worst performing sector, and Apple had the largest negative impact on the Dow. <https://t.co/Xx4GmAR59Q> pic.twitter.com/zYHnkZcmEI

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Proactive Investors is a global leader in financial news, media, research and events focusing on emerging growth companies across four continents.

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— CNBC (@CNBC) May 20, 2019

Fed chairman speaks at 9.00am AEST

Federal Reserve chair Jerome Powell is due to deliver a speech titled "Assessing Risks to our Financial System" at the Financial Markets Conference in Florida at around 9.00am AEST.

Given Powell's status, volatility is often experienced during his speeches as traders attempt to decipher interest rate clues.

Questions from the audience are also expected.

Financial results from JHX and OFX released pre-market

James Hardie (ASX:JHX) has released its full year result (31 March end) revealing adjusted net operating profit of US\$73.8 million for the final quarter and US\$300.5 million for the full year.

On 5 February 2019, JHX guided to adjusted net operating profit of between US\$295 and US\$315 million so the result has come in low-mid range of guidance.

OFX Group Ltd (ASX:OFX) also has a March year end and has delivered 8.1% growth in underlying EBITDA to \$32.2 million but a 5.8% decrease in statutory NPAT to \$17.6 million.

OFX's CEO and managing director Skander Malcolm said: As we look to the year ahead, our growth priorities are clear.

"We will continue our regional growth strategy, particularly in North America and Asia, while improving the client experience, growing our Corporate and Enterprise base, and building partnerships to help us grow and execute more effectively."

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