

Bonds open mixed, traders await China data

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AAP

The Australian bond market has opened mixed on Tuesday, as investors await Chinese economic data due at midday.

At 0830 AEST on Tuesday, the June 10-year bond futures contract was trading at 94.820 (implying a yield of 5.180 per cent), down from 94.825 (5.125 per cent) on Friday.

The June three-year bond futures contract was at 95.210 (4.790 per cent), up from 95.200 (4.800 per cent).

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The local bond market closed firmer on Friday, after official data showed that Australia's total employment had risen by a seasonally adjusted 7,800 in May, much less than the expected 23,500 rise.

The market was closed on Monday for the Queen's birthday public holiday.

FIIG Securities associate director Andrew Hicks said he expected the positive mood on Friday to continue on Tuesday.

"There's nothing globally over the last couple of days that would have changed that view," Mr Hicks said.

Bond traders were looking for any evidence to justify the current high prices, he said.

Traders would be watching a host of Chinese economic data, due around midday, including official inflation and retail sales figures for May, Mr Hicks said.

Locally on Tuesday, the Australian Bureau of Statistics releases lending finance data for April and the National Australia Bank publishes its monthly business survey for May.

Mr Hicks said investors would watch Wednesday's Westpac/Melbourne Institute Survey of Consumer Sentiment for June.