MARKET UPDATE

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Asia shares muted on China data.

Asian share markets were in the red on Monday as mixed Chinese economic news underlined the country's bumpy recovery, while political uncertainty in Europe soured risk appetites and kept the euro on the defensive.

Chinese blue chips were off 0.2% after retail sales topped forecasts by rising 3.7% in May, but industrial output and fixed-asset investment both underwhelmed.

Other data showed home prices fell at the fastest pace in a decade in May, highlighting the continued strains in the property sector.

The People's Bank of China (PBOC) kept its one-year rate unchanged, dashing some speculation of a cut following surprisingly soft bank lending data.

China's official Financial News on Monday reported there was still room to lower rates, but there were internal and external constraints on policy.

Currencies consolidate as dollar steadies.

The dollar was firm on Monday as the euro hovered near a more than one-month low amid political turmoil in Europe, while investors awaited fresh clues on the strength of the U.S. economy.

Investors have been contemplating the risk of a budget crisis at the heart of the euro area, as far right and leftist parties gain momentum ahead of France's surprise parliamentary election, pressuring President Emmanuel Macron's centrist administration.

Even after the French financial markets endured a brutal sell-off late last week, European Central Bank policymakers have no plans to discuss emergency purchases of French bonds, five sources told Reuters.

The euro inched down 0.04% to $1.07025, after falling to its lowest since May 1 at $1.06678 on Friday. The currency also logged its biggest weekly decline since April at 0.88% last week.

Although the political turmoil is a euro-bearish story, "as the euro accounts for around 57% of the US dollar index weighting, the fall of the euro has indirectly benefited the dollar," said Matt Simpson, senior market analyst at City Index.

Oil prices slip on weaker US consumer demand.

Oil prices slipped in Asian trading on Monday after a survey on Friday showed weaker U.S. consumer demand and as May crude production rose in China, the world's biggest crude importer.

Global benchmark Brent crude futures for August delivery were down 40 cents, or 0.5%, at $82.22 per barrel at 0631 GMT. U.S. West Texas Intermediate crude futures for July delivery fell 36 cents to $78.09 a barrel.

The more-active August delivery WTI contract slipped 0.5% to $77.7 per barrel.

That followed prices slipping on Friday after a survey showed U.S. consumer sentiment fell to a seven-month low in June, with households worried about their personal finances and inflation.

However, both benchmark contracts still gained nearly 4% last week, the highest weekly rise in percentage terms since April, on signs of stronger fuel demand.

"Last week's robust rally was fuelled by forecasts of strong 2024 demand from OPEC+ and the IEA. However, given OPEC's vested interest in crude oil, there is some scepticism around OPEC's forecasts," said Tony Sycamore, a market analyst at IG in Singapore.

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