

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6538	0.2%	WTI Crude Oil	83.48	-\$0.41
90-day Bill	4.41	0	AUD/JPY	103.46	1.9%	Brent Crude Oil	89.02	-\$0.33
3-year Bond	4.10	-4	AUD/EUR	0.6108	0.4%	Mogas95*	105.85	\$0.35
10-year Bond	4.48	-5	AUD/GBP	0.5229	0.2%	CRB Index	296.84	-0.82
			AUD/NZD	1.0995	0.5%	Gold	2335.52	\$5.73
			AUD/CNY	4.7388	0.5%	Silver	27.18	-\$0.16
US			EUR/USD	1.0704	-0.2%	Iron Ore (62% Fe)**	116.50	-\$0.50
2-year	4.99	0	USD/JPY	158.26	1.7%	Iron Ore (23-24 Average)	118.99	-\$0.01
10-year	4.66	-4	USD/CNY	7.2464	0.1%	Copper	9965.50	\$100.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7576	-13
			Interbank O/N Cash Rate	4.32		Dow Jones	38240	154
Other 10-year			Probability of a 25bps Hike in May	2.6%		S&P500	5100	52
Japan	0.89	-4	RBA Bond Holdings (29 Mar)	A\$335.5b		Stoxx600	508	6
Germany	2.58	-5				CSI300	3584	54
UK	4.32	-4						

*Mogas95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.

**Iron ore is the second SGX futures contract.

US stocks picked up on Friday, closing the best week this year so far, supported by a rally in tech stocks and relief about the inflation outlook after PCE price indices came out roughly in line with expectations. US 2-year yields were steady at just below 5%, but there were declines for longer maturities. The greenback appreciated, with the US dollar index just 0.3% off its five-month high from earlier this month.

The positive global market sentiment supported the Australian dollar, which appreciated against all the major currencies, particularly versus the weaker Japanese yen. Commonwealth bond yields opened lower this morning and the ASX 200 saw a broad-based drop of 1.4% on Friday, which was a catch-up to the declines on Wall Street on Anzac Day. The Aussie share market opened higher today.

US personal spending rose by another 0.8% in March, the same as in the previous month and somewhat more than the 0.6% pencilled in by consensus. The PCE price index picked up by 0.3%, both in headline and core terms, in line with expectations. However, the annual rates surprised slightly to the upside, with headline inflation accelerating 0.2ppts to 2.7% (mkt exp. 2.6%), while core inflation was unchanged at 2.8%. Both measures are somewhat above the FOMC goal of 2%.

The Bank of Japan (BoJ) left its key policy rate target range unchanged at 0.00-0.10% as expected. The BoJ downgraded GDP estimates for the 2023 and 2024 fiscal years (ending 31 March), while 'core-core' CPI inflation forecasts were little changed and below the BoJ's 2% goal, implying a low likelihood of further interest rate hikes in the near term. The Japanese yen depreciated sharply as a result, to be the weakest against the USD since 1990.

From the local data, the export price index fell by 2.1% QoQ and 8.3% YoY in Q1, dragged down by a plunge in lithium prices. The import price index declined by 1.8% QoQ, thanks to lower petroleum prices, to be 0.7% down through the year. The PPI rose by 0.9% in Q1, to be 4.3% up YoY, with further increases in construction.

It will be a **busy week** domestically, with March retail trade and private sector credit tomorrow, CoreLogic house prices for April on Wednesday, March dwelling approvals and external trade figures on Thursday, and March housing finance on Friday. The most important event offshore will be the FOMC meeting on Thursday morning (AWST) with no changes expected, but market participants will look for any guidance regarding the timing of rate cuts. Other global highlights will include the US labour market data as well as US and Chinese PMIs.

ECONOMIC DATA REVIEW

- **AU:** Export Price Index (QoQ, Q1) – Actual -2.1%, Expected -0.6%, Previous 5.6%.
- **AU:** Import Price Index (QoQ, Q1) – Actual -1.8%, Expected 0.1%, Previous 1.1%.
- **AU:** PPI (QoQ, Q1) – Actual 0.9%, Previous 0.9%.
- **US:** Personal Spending (MoM, Mar) – Actual 0.8%, Expected 0.6%, Previous 0.8%.
- **US:** PCE Price Index (MoM, Mar) – Actual 0.3%, Expected 0.3%, Previous 0.3%.

ECONOMIC DATA PREVIEW

No market-moving data.

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