

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6281	-0.1%	WTI Crude Oil	69.09	\$0.78
90-day Bill	4.11	0	AUD/JPY	94.81	0.7%	Brent Crude Oil	72.98	\$0.82
3-year Bond	3.77	2	AUD/EUR	0.5817	0.2%	Mogas95*	82.71	\$0.67
10-year Bond	4.45	4	AUD/GBP	0.4863	0.0%	CRB Index	306.38	0.61
			AUD/NZD	1.0980	0.3%	Gold	3010.84	-\$11.17
			AUD/CNY	4.5623	0.3%	Silver	32.96	-\$0.04
<b>US</b>			EUR/USD	1.0797	-0.4%	Iron Ore (62% Fe)**	102.20	\$1.95
2-year	4.03	6	USD/JPY	150.94	0.8%	Iron Ore (24-25 Average)	101.99	\$0.01
10-year	4.33	7	USD/CNY	7.2607	0.1%	Copper	9956.00	\$100.50
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.10		ASX200	7977	63
Japan	1.57	3	Interbank O/N Cash Rate	4.09		Dow Jones	42583	598
Germany	2.77	1	Probability of a 25bps Cut in Apr	8.3%		S&P500	5768	100
UK	4.71	0	RBA Bond Holdings (28 Feb)	A\$297.6b		Stoxx600	549	-1
						CSI300	3935	20

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

\*\*Iron ore is the second SGX futures contract.

US equities saw the strongest gains in ten days overnight, supported by hopes that the fresh US tariff measures set to be introduced next week will not be as broad as first feared. The S&P rose by 1.8%, the tech-heavy Nasdaq 100 gained 2.2%, while the Dow Jones added 1.4%. US Treasury yields rose, with 10-year yields reaching the highest level in around a month, while the US dollar appreciated to around 1% above its 2025 low.

The Australian dollar depreciated slightly versus the stronger greenback, but is up versus the Japanese yen and the euro. Commonwealth bond yields rose less than their US equivalents. The ASX 200 edged 0.1% higher yesterday and opened higher again this morning.

US President Donald Trump said that the new tariff rates, which are to be announced on 2 April, will be imposed on a country-by-country basis, with 'a lot of countries' likely receiving 'breaks'. This followed signals from other White House officials that the new tariffs could focus on a narrower number of countries, with the United States Trade Representative saying that this includes countries with the highest trade surpluses, like Australia.

US President Trump added that tariffs on automobiles will be introduced 'very shortly' and taxes on pharmaceuticals will be rolled out 'at some point', which could imply that they will be not included in the 2 April batch. However, he also announced in a social media post that he will impose 25% tariff rate on any country that buys oil or gas from Venezuela.

The prospect of 'secondary tariffs' on Venezuela sent oil prices higher overnight. The gold price ebbed further but remained above US\$3,000 an ounce. Iron ore futures picked up, amid news of a decline in Chinese inventories.

Data-wise, US S&P Global composite PMI rose 1.9pts to 53.5 in March (above 50 = expansion), with faster growth in services offsetting renewed contraction in manufacturing. That said, optimism about the coming year declined for the second straight month, reaching its second-lowest level since October 2022. This decline reflects concerns about federal spending cuts, tariffs and other policies of the new US administration.

Elsewhere, PMIs pointed to ongoing near-stagnant activity in the euro area, faster pace of growth in the UK and renewed contraction in Japan.

At home, ANZ Roy Morgan consumer confidence rose by 0.5% last week, but remained close to its 2025 lows, with inflation expectations ticking up 0.1ppts to 4.9%.

### Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 22 Mar) – Actual 0.5%, Previous -3.6%.
- **JP:** Jibun Bank Composite PMI (Mar, flash) – Actual 48.5, Previous 52.0.
- **EZ:** HCOB Composite PMI (Mar, flash) – Actual 50.4, Expected 50.7, Previous 50.2.
- **UK:** S&P Global Composite PMI (Mar, flash) – Actual 52.0, Expected 50.5, Previous 50.5.
- **US:** S&P Global Composite PMI (Mar, flash) – Actual 53.5, Expected 51.3, Previous 51.6.

### Economic Data Preview

- **AU:** Commonwealth Budget 2025-26.
- **US:** Conference Board Consumer Confidence (Mar) – Expected 94.0, Previous 98.3.
- **US:** Case-Shiller House Price Index (MoM, Jan) – Expected 0.4%, Previous 0.5%.