

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6214	1.5%	WTI Crude Oil	59.92	-\$3.19
	90-day Bill	4.08	AUD/JPY	89.12	-0.9%	Brent Crude Oil	63.22	-\$2.26
	3-year Bond	3.25	AUD/EUR	0.5496	-1.5%	Mogas95*	71.19	-\$3.08
	10-year Bond	4.40	AUD/GBP	0.4773	0.0%	CRB Index	285.13	-2.92
<b>US</b>			AUD/NZD	1.0805	-0.5%	Gold	3209.94	\$115.54
	2-year	3.83	AUD/CNY	4.5606	1.1%	Silver	31.24	\$0.27
	10-year	4.48	EUR/USD	1.1311	3.1%	Iron Ore (62% Fe)**	97.05	\$1.25
			USD/JPY	143.41	-2.3%	Iron Ore (24-25 Average)	101.86	-\$0.02
<b>Other 10-year</b>			USD/CNY	7.3175	-0.4%	Copper	8988.00	\$375.00
			<b>RBA Policy</b>			<b>Equities</b>		
			O/N Cash Rate Target	4.10		ASX200	7539	-208
			Interbank O/N Cash Rate	4.09		Dow Jones	39594	-1015
Japan	1.35	2	Probability of a 50bps Cut in May	84.5%		S&P500	5268	-189
Germany	2.58	-1	RBA Bond Holdings (31 Mar)	A\$297.4b		Stoxx600	487	17
UK	4.64	-14				CSI300	3735	48

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

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

The heavy sell-off resumed on Wall Street last night, as the US administration has confirmed that the total tariff rate imposed on China is 145%, not 125% as thought yesterday. The S&P dropped by 3.5%, while the tech-heavy Nasdaq lost 4.2%. Losses were registered for all industries, with a notable exception of defensive consumer staples.

US Treasury yields surged at the back end of the curve, but there were declines for shorter maturities, as fed funds rate cut expectations were pulled forward to June. The greenback depreciated sharply, with the DXY dollar index falling the most since November 2022. The uncertainty around the global trade outlook pushed the gold price to a fresh record high.

The retreat on Wall Street followed a rebound in stocks in Europe and the Asia-Pacific region, though the Chinese CSI 300 underperformed with a 1.3% gain. The ASX 200 surged by 4.5% yesterday, the most since late March 2020, before dropping by 2.2% this morning.

10-year Commonwealth bond yields rose less than their US equivalents, while 3-year yields saw a relatively steep fall, as RBA cash rate expectations intensified a little. The Australian dollar appreciated against the weaker greenback, while depreciating versus the euro and Japanese yen.

Data-wise, US CPI unexpectedly declined by 0.1% in March, taking the annual rate of consumer price inflation down to a nine-month low of 2.4%. Core inflation dropped to 2.8%, which is the lowest level since April 2021. Core services excluding housing, which is closely tracked by the Fed, declined to 2.9% unseen since March 2021. At the same time, US initial jobless claims were little changed at 223k last week, pointing to ongoing resilience of the US labour market.

Chinese authorities have reportedly met yesterday to discuss stimulus measures to counter the impacts of the trade war. Meanwhile, Chinese consumer prices remained in deflation in March, while producer price deflation deepened to the fastest rate this year so far.

In Australia, Melbourne Institute consumer inflation expectations rose 0.6 percentage point to 4.2%, which is almost at the series average of 4.3%. RBA Governor Michele Bullock was speaking last night, downplaying the need for an emergency rate cut. She said that the recent global market turmoil was not as severe as during the global financial crisis, adding that the Bank needed to patiently assess what the trade war meant for global demand and supply.

## Economic Data Review

- **AU:** Melbourne Institute Inflation Expectations (Apr) – Actual 4.2%, Previous 3.6%.
- **CH:** CPI (YoY, Mar) – Actual -0.1%, Expected 0.0%, Previous -0.7%.
- **CH:** PPI (YoY, Mar) – Actual -2.5%, Expected -2.3%, Previous -2.2%.
- **US:** CPI (MoM, Mar) – Actual -0.1%, Expected 0.1%, Previous 0.2%.
- **US:** Initial Jobless Claims (w/e 5 Apr) – Actual 223k, Expected 223k, Previous 219k.

## Economic Data Preview

- **US:** PPI (MoM, Mar) – Expected 0.2%, Previous 0.0%.
- **US:** University of Michigan Consumer Sentiment (Apr, prel.) – Expected 55.0, Previous 57.0.