

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6259	0.7%	WTI Crude Oil	75.90	-\$0.99
90-day Bill	4.33	0	AUD/JPY	97.48	0.4%	Brent Crude Oil	79.29	-\$0.86
3-year Bond	3.92	1	AUD/EUR	0.6018	0.4%	Mogas95*	86.04	-\$0.98
10-year Bond	4.44	-1	AUD/GBP	0.5076	0.1%	CRB Index	308.87	-2.21
			AUD/NZD	1.1057	0.1%	Gold	2743.79	\$39.65
			AUD/CNY	4.5566	0.0%	Silver	30.79	\$0.51
<b>US</b>			EUR/USD	1.0402	0.4%	Iron Ore (62% Fe)**	103.85	-\$0.85
2-year	4.27	3	USD/JPY	155.75	-0.2%	Iron Ore (24-25 Average)	101.39	\$0.02
10-year	4.58	0	USD/CNY	7.2656	-0.1%	Copper	9275.00	\$0.00
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.35		ASX200	8426	42
Japan	1.19	0	Interbank O/N Cash Rate	4.34		Dow Jones	44026	538
Germany	2.51	-2	Probability of a 25bps Cut in Feb	72.8%		S&P500	6049	53
UK	4.59	-7	RBA Bond Holdings (31 Dec)	A\$297.6b		Stoxx600	526	2
						CSI300	3833	3

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

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

US stocks began their trading week in a positive fashion, supported by easing concerns over trade restrictions and greater clarity about some other federal policies. This came after US President Donald Trump signed the first round of executive orders on his first day in office. Chinese officials also contributed with some positive comments.

The rally in US equities was broad-based, with energy being the only sector to see losses amid a further decline in oil prices due to the expected rise in supply under the Trump administration.

US Treasuries rose slightly at the front end of the yield curve, while the US dollar resumed depreciating. The US dollar index reached fresh lows for 2025.

The increase in US equities followed gains across Europe and the Asia-Pacific region, including Australia, where the ASX 200 rose by another 0.6% yesterday, with utilities the only sector registering significant losses. The Aussie share market opened higher again this morning. Commonwealth bond yields were little changed after considerable declines yesterday morning, while the Australian dollar continued to appreciate taking the AUD/USD to a fresh one-month high.

On his first day in office, US President Donald Trump signed his first batch of executive orders on a range of issues. In addition to revoking 78 orders of former President Joe Biden (including electric vehicle targets), he declared a national emergency at the southern border and regarding energy policy, enacted a hiring freeze for the US federal government, established a new Department of Government Efficiency, and withdrew from the Paris Climate Accords, the World Health Organisation and the global corporate tax deal.

As hinted in yesterday's Daily Report, President Trump also mentioned a possible introduction of 25% tariff rates for Canada and Mexico as early as on 1 February 2025. He is also weighing up an additional 10% tariff on China within the same timeframe. The administration will review "unfair" global trade practices before making its final decisions on tariffs.

Speaking at the Davos World Economic Forum, Chinese Vice Premier Ding Xuexiang warned against protectionism and suggested that China is looking to promote more 'balanced trade'.

Closer to home, the New Zealand CPI rose by 0.5% in Q4, in line with the market expectations, to be up by 2.2% through the year, slightly overshooting the market consensus of 2.1%, but remaining in line with the Reserve Bank of New Zealand's target of 1–3%. Kiwi inflation figures have historically served as a reasonably good indicator of Australian quarterly inflation momentum, which are to be released in a week.

### Economic Data Review

- **NZ:** CPI (QoQ, Q4) – Actual 0.5%, Expected 0.5%, Previous 0.6%.

### Economic Data Preview

- **AU:** Building Activity (QoQ, Q3).
- **AU:** KLEMS Multifactor Productivity (2023–24).
- **AU:** Westpac Leading Index (MoM, Dec) – Previous 0.05%.