

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6335	0.2%	WTI Crude Oil	61.44	-\$0.39
90-day Bill	4.00	-1	AUD/JPY	90.44	-0.3%	Brent Crude Oil	64.80	-\$0.38
3-year Bond	3.34	1	AUD/EUR	0.5598	0.2%	Mogas95*	73.35	-\$0.83
10-year Bond	4.33	-2	AUD/GBP	0.4782	-0.5%	CRB Index	289.30	-0.48
			AUD/NZD	1.0741	-0.2%	Gold	3263.91	\$51.69
			AUD/CNY	4.6430	0.2%	Silver	32.43	\$0.22
US			EUR/USD	1.1315	0.0%	Iron Ore (62% Fe)**	97.80	\$0.25
2-year	3.81	-5	USD/JPY	142.82	-0.5%	Iron Ore (24-25 Average)	101.81	-\$0.01
10-year	4.32	-6	USD/CNY	7.3158	0.1%	Copper	9164.00	-\$23.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7748	-20
			Interbank O/N Cash Rate	4.09		Dow Jones	40369	-156
Other 10-year			Probability of a 50bps Cut in May	70.5%		S&P500	5397	-9
Japan	1.31	-6	RBA Bond Holdings (31 Mar)	A\$297.4b		Stoxx600	508	8
Germany	2.53	2				CSI300	3761	2
UK	4.65	-1						

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

**Iron ore is the second SGX futures contract.

It was a relatively quiet session on Wall Street overnight, with the S&P 500 closing 0.2% lower but having its narrowest trading range in 2½-weeks as there was little in the way of fresh US tariff announcements during trading hours to drive volatility. The volatility index (VIX), closed at its lowest level in eight days but remains elevated. The steady night in the US followed positive sessions in Europe and the Asia-Pacific region, with the Aussie equity market closing 0.2% higher yesterday, although it has opened a little lower this morning.

US equity futures are currently being hammered, particularly the tech-heavy NASDAQ 100, following an aftermarket announcement from the White House launching an investigation into potential new tariffs on US critical minerals imports due to national security concerns.

Despite his latest trade salvo, Donald Trump has called on the Chinese government to reach out to start trade negotiations following news that Beijing had ordered Chinese airlines not to take further deliveries of Boeing jets.

The Aussie dollar climbed against the USD but depreciated against the Japanese yen, with the yen at its strongest level against the greenback in over six months. The Aussie finished the overnight session at a near four-week closing high against the big dollar. US Treasury yields fell, particularly at the long end as the US Treasury Department flagged a possible regulatory change. Aussie 10-year bond yields have followed US yields lower this morning.

Oil prices slipped as the International Energy Agency cut its forecast for 2025 global oil demand growth by around 30%, citing the negative impact on demand from escalating trade tensions. Gold has risen to fresh record highs this morning.

At home, the minutes of the RBA Monetary Policy Board meeting, which was held on 1 April and predated the escalation in the trade war, delivered no real surprises. The Board highlighted the two-sided risks to growth and inflation from the US tariffs and indicated that the next meeting on 20 May *'would be an opportune time to revisit monetary policy'*. The RBA's last set of economic forecasts in February, when it cut interest rates by 25 basis points, had among its technical assumptions a further 25-basis point cut in May. The market is currently pricing in a good chance of a 50-basis point cut. The likelihood of that would largely depend on the outcome of the two Aussie labour force reports due before that meeting, including the report for April which will be released tomorrow, the Q1 CPI on 30 April, and the fallout from US tariff announcements, both past and future.

Economic Data Review

- **US:** US Empire State Manufacturing Index (Apr) – Actual -8.1, Expected -13.5, Previous -20.0.

Economic Data Preview

- **CH:** GDP (YoY, Q1) – Expected 5.2%, Previous 5.4%.
- **CH:** Retail Sales (YoY YtD, Mar) – Expected 4.3%, Previous 4.0%.
- **CH:** Industrial Production (YoY YtD, Mar) – Expected 5.9%, Previous 5.9%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Mar) – Expected 4.1%, Previous 4.1%.
- **US:** Retail Sales (MoM, Mar) – Expected 1.4%, Previous 0.2%.
- **US:** Industrial Production (MoM, Mar) – Expected -0.2%, Previous 0.7%.