

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6745	0.2%	WTI Crude Oil	83.10	-\$0.95
90-day Bill	4.46	0	AUD/JPY	108.33	-0.1%	Brent Crude Oil	86.67	-\$0.88
3-year Bond	4.13	-3	AUD/EUR	0.6230	0.1%	Mogas95*	96.82	-\$1.72
10-year Bond	4.38	-4	AUD/GBP	0.5266	-0.2%	CRB Index	293.43	-0.59
			AUD/NZD	1.0987	-0.2%	Gold	2386.47	\$28.26
			AUD/CNY	4.9072	0.4%	Silver	31.15	\$0.72
<b>US</b>			EUR/USD	1.0827	0.1%	Iron Ore (62% Fe)**	111.55	-\$1.45
2-year	4.62	-9	USD/JPY	160.61	-0.2%	Iron Ore (24-25 Average)	111.22	-\$0.70
10-year	4.30	-7	USD/CNY	7.2683	0.0%	Copper	9944.00	\$61.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7790	-26
			Interbank O/N Cash Rate	4.34		Dow Jones	39376	68
<b>Other 10-year</b>			Probability of a 25bps Hike in Aug	27.3%		S&P500	5567	30
Japan	1.09	0	RBA Bond Holdings (30 June)	A\$314.3b		Stoxx600	517	-1
Germany	2.56	-5				CSI300	3431	-15
UK	4.13	-7						

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

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

US equities climbed to fresh record highs on Friday, as the employment report signalled the US labour market is easing but not falling in a hole. US Treasury yields fell as the tepid payrolls growth and an increase in the unemployment rate fuelled expectations for a Fed interest rate cut as soon as September, with Aussie bond yields opening lower this morning. The Aussie dollar picked up against a weaker greenback.

European equities edged down ahead of the French election, while earlier in the day, equities also slipped across much of the Asia-Pacific, with the Aussie market down 0.1%, although the ASX 200 was up 0.7% for the week.

Oil prices slipped from two-month highs, while iron ore futures fell back but still posted their best week since April. Gold was boosted by the prospect of US interest rate cuts later this year.

The French parliamentary election delivered, on early news, what looks likely to be a hung parliament, with the left-wing alliance, the New Popular Front, looking like being the biggest grouping in the National Assembly, followed by President Macron's centrists, and the right-wing National Rally coming third.

The US employment report was a mixed bag, headline nonfarm payrolls rose a slightly better-than-expected 206k in June (exp. 190k) following a downwardly revised 218k increase in May (there was a combined 111k downward revision to the previous two months). Government, together with healthcare and social assistance contributed about three-quarters of payrolls growth. The unemployment rate, which is calculated from a separate household survey increased 0.1ppt to 4.1%, the highest level since October 2021.

In Australia, the monthly household spending indicator was up just 0.1% YoY, on a current price calendar adjusted basis, signalling a sharp decline in spending volumes over the year. Spending continues to be led by non-discretionary items which were up 1.8% YoY, while discretionary spending fell 1.9%.

Another busy week coming up domestically, with housing finance for May this morning, the NAB business survey report for June and Westpac-Melbourne Institute consumer sentiment for July on Tuesday, and payroll jobs over the month to 15 June on Thursday being the major highlights.

The key events offshore include US and Chinese inflation data for June, University of Michigan's preliminary report on US consumer confidence and inflation expectations for July as well as the Chinese trade balance for June. The RBNZ will announce its monetary policy decision on Wednesday, with no change expected.

#### ECONOMIC DATA REVIEW

- **AU:** Household Spending Indicator (YoY, May) – Actual 0.1%, Previous 2.2% (revised).
- **US:** Non-farm Payrolls (monthly change, Jun) – Actual 206k, Expected 190k, Previous 218k (revised).
- **US:** Unemployment Rate (Jun) – Actual 4.1%, Expected 4.0%, Previous 4.0%.

#### ECONOMIC DATA PREVIEW

- **AU:** Housing Finance (MoM, May) – Expected 1.8%, Previous 4.8%.

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