

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6299	0.2%	WTI Crude Oil	69.88	\$0.06
90-day Bill	4.13	2	AUD/JPY	95.04	0.4%	Brent Crude Oil	74.03	\$0.11
3-year Bond	3.79	-1	AUD/EUR	0.5834	-0.3%	Mogas95*	84.00	\$0.48
10-year Bond	4.49	-1	AUD/GBP	0.4864	-0.4%	CRB Index	307.05	-0.04
			AUD/NZD	1.0985	-0.1%	Gold	3055.71	\$33.04
			AUD/CNY	4.5756	0.1%	Silver	34.41	\$0.72
<b>US</b>			EUR/USD	1.0798	0.5%	Iron Ore (62% Fe)**	103.00	-\$0.55
2-year	4.00	-1	USD/JPY	150.86	0.2%	Iron Ore (24-25 Average)	102.00	\$0.00
10-year	4.36	2	USD/CNY	7.2622	-0.1%	Copper	9846.50	-\$80.50
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.10		ASX200	7959	3
Japan	1.59	0	Interbank O/N Cash Rate	4.09		Dow Jones	42300	-155
Germany	2.77	-2	Probability of a 25bps Cut in Apr	8.3%		S&P500	5693	-19
UK	4.78	6	RBA Bond Holdings (28 Feb)	A\$297.6b		Stoxx600	546	-2
						CSI300	3932	13

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

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

Tariff concerns continued to drag on market sentiment overnight. After signing an executive order imposing 25% tariffs on cars from 3 April and car parts from 3 May, US President Donald Trump signalled harsher tariffs against the European Union and Canada. The S&P 500 lost another 0.3% last night, with strong declines in carmaker stocks.

The losses on Wall Street followed considerable declines in Europe, Japan, and South Korea, where leading car companies are listed. The ASX 200 lost 0.4% yesterday, with mixed results across the sectors. The Aussie share market opened in the red again this morning.

Despite weaker global market sentiment, the Australian dollar managed to appreciate against the US dollar and Japanese yen. Commonwealth bond yields were little changed, similar to their US equivalents.

Renewed tariff concerns saw the gold price climb to a fresh record high. Oil prices ticked up slightly, while iron ore futures ebbed by 0.5%. Copper futures on New York's Comex exchange eased a little but remain close to their record highs. Copper futures at London Stock Exchange also saw a decline overnight.

Speaking overnight, Richmond Fed President Tom Barkin said that the Trump administration policies have created 'a sense of instability', which could affect aggregate demand. He was also among the Fed officials who doubted whether the pro-inflationary impacts of tariffs will turn out to be transitory. He assessed that the current 'moderately restrictive' stance of Fed policy is the 'good place to be'.

Boston Fed President Susan Collins also acknowledged that the 'inevitable' rise in inflation due to tariffs will likely see fed funds rate target range being kept steady at the current level for longer than thought several months ago.

Meanwhile, according to preliminary US trade data for February, the US trade deficit remained close to its record high, as importers continued to frontload their orders ahead of the tariffs. From other data, the final estimate of US Q4 GDP was little changed at 2.4%, with a slight downward revision to imports. US initial jobless claims were also roughly unchanged last week, while continued claims declined back to around 1,850k in the week ending 15 March.

In Australian political news, Opposition Leader Peter Dutton has delivered the budget reply, highlighting a promise to halve the fuel excise tax for 12 months (at a cost of A\$6b). Mr Dutton also suggested a national gas reservation scheme, requiring 50-100 petajoules of spot cargo exports to be kept for the domestic market. Prime Minister Anthony Albanese is to call the federal parliament election for 3 May.

### Economic Data Review

- **US:** GDP (QoQ annualised, Q4, final) – Actual 2.4%, Expected 2.4%, Previous 2.3%.
- **US:** Initial Jobless Claims (w/e 22 Mar) – Actual 224k, Expected 225k, Previous 225k (revised).

### Economic Data Preview

- **US:** Personal Spending (MoM, Feb) – Expected 0.5%, Previous -0.2%.
- **US:** PCE Price Index (YoY, Feb) – Expected 2.5%, Previous 2.5%.