

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6200	-0.1%	WTI Crude Oil	78.33	-\$0.58
90-day Bill	4.33	0	AUD/JPY	96.81	0.4%	Brent Crude Oil	81.13	-\$0.16
3-year Bond	3.98	3	AUD/EUR	0.6029	0.0%	Mogas95*	87.59	-\$0.30
10-year Bond	4.51	3	AUD/GBP	0.5090	0.3%	CRB Index	311.08	-0.27
			AUD/NZD	1.1086	0.1%	Gold	2694.32	-\$20.35
			AUD/CNY	4.5442	-0.2%	Silver	30.29	-\$0.48
US			EUR/USD	1.0284	-0.2%	Iron Ore (62% Fe)**	104.15	\$1.80
2-year	4.28	5	USD/JPY	156.13	0.5%	Iron Ore (24-25 Average)	101.35	\$0.02
10-year	4.63	1	USD/CNY	7.3252	-0.1%	Copper	9190.00	-\$40.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8338	22
			Interbank O/N Cash Rate	4.34		Dow Jones	43488	335
Other 10-year			Probability of a 25bps Cut in Feb	72.8%		S&P500	5997	59
Japan	1.21	3	RBA Bond Holdings (31 Dec)	A\$297.6b		Stoxx600	524	4
Germany	2.54	-1				CSI300	3812	12
UK	4.66	-2						

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

**Iron ore is the second SGX futures contract.

US equities rounded out their best week since the US elections in November, with the S&P 500 adding a further 1% on Friday, with traders bullish leading up to President-elect Donald Trump's inauguration tonight. Sentiment was boosted by news of a phone call between President-elect Donald Trump and Chinese President Xi Jinping discussing trade, among others, which Trump reported with some enthusiasm. The rise followed another positive session in Europe and a mixed day in the Asia-Pacific, including a 0.2% fall in the ASX 200 after an afternoon selloff. The Aussie market has opened higher this morning.

US Treasury yields rose at the short-end of the curve amid a further retreat in market pricing for Fed interest rate cuts after the release of stronger-than-expected US economic data, added to the recent evidence suggesting the US economy remains resilient. Aussie bond yields were relatively steady on Friday but have opened higher this morning.

The AUD/USD slumped early in the New York trading session on Friday, and at one point fell to as low as US\$0.6165 only to jump back to a high of US\$0.6227 before easing again.

Singapore iron ore futures prices have climbed to the highest levels in a month and face further short-term upward pressure as several Pilbara ports were closed due to a cyclone threat. Oil edged down on Friday ahead of the Israel-Hamas ceasefire that took effect on the weekend, with reports that Hamas have handed back three Israeli hostages.

The Chinese economic data released on Friday was mixed, although a 1.6% rise in Q4 GDP saw the annual growth rate rise to 5.4% YoY from 4.6% in Q3. The industrial sector rose 5.2% through the year and services output was 5.8% higher. Construction (3.4%) and real estate (2.0%) were points of weakness. GDP for the whole of 2024 was 5.0% higher than in 2023, in line with the Government target. The monthly indicators were also released on Friday. Industrial production was stronger-than-expected in December, rising 6.2% YoY, although steel production fell to 76 million tonnes, the lowest monthly total for the year. Total steel production was one billion tonnes in 2024, the fourth year in a row of zero annual growth. Retail sales rose a soft 0.1% in December, with annual growth picking up 0.7ppts to 3.7% YoY. Urban fixed asset investment growth slowed 0.1ppts to 3.2% YTD YoY, with growth over the year driven by a 5.7% increase in public sector investment, while private sector fixed asset investment fell 0.1%.

US industrial production rose 0.9% in December, its fastest monthly growth since February. Manufacturing rose 0.6%, while utilities (2.1%) and mining (1.8%) were also stronger, adding to the evidence that the US economy remained solid at the end of 2024. Capacity utilisation, a key supply-side inflation indicator, rose 0.6ppts to a four-month high of 77.6% but remained below the long-term average of 79.7%.

Economic Data Review

- **CH:** GDP (YoY, Q4) – Actual 5.4%, Expected 5.0%, Previous 4.6%.
- **CH:** Industrial Production (YoY, Dec) – Actual 6.2%, Expected 5.4%, Previous 5.4%.
- **CH:** Retail Sales (YoY, Dec) – Actual 3.7%, Expected 3.6%, Previous 3.0%.
- **CH:** Urban Fixed Asset Investment (YTD YoY, Dec) – Actual 3.2%, Expected 3.3%, Previous 3.3%.
- **US:** Industrial Production (MoM, Dec) – Actual 0.9%, Expected 0.3%, Previous 0.2% (revised).

Economic Data Preview

- **CH:** Five-year Prime Loan Rate – Expected 3.60%, Previous 3.60%.