

Interest Rates (%)				FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6289	0.0%	WTI Crude Oil	69.82	\$0.54	
	90-day Bill	4.11	0	AUD/JPY	94.70	0.3%	Brent Crude Oil	73.92	\$0.65
	3-year Bond	3.80	2	AUD/EUR	0.5853	0.3%	Mogas95*	83.51	\$0.64
	10-year Bond	4.49	4	AUD/GBP	0.4882	0.4%	CRB Index	307.09	0.58
			AUD/NZD	1.0991	0.0%	Gold	3022.67	\$4.67	
			AUD/CNY	4.5700	0.0%	Silver	33.69	\$0.03	
US			EUR/USD	1.0744	-0.4%	Iron Ore (62% Fe)**	103.55	\$1.45	
	2-year	4.00	-1	USD/JPY	150.58	0.3%	Iron Ore (24-25 Average)	102.00	\$0.01
	10-year	4.34	1	USD/CNY	7.2683	0.1%	Copper	9927.00	-\$185.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		4.10	ASX200	7957	-52	
			Interbank O/N Cash Rate		4.09	Dow Jones	42455	-133	
	Japan	1.59	1	Probability of a 25bps Cut in Apr		8.3%	S&P500	5712	-64
	Germany	2.80	0	RBA Bond Holdings (28 Feb)		A\$297.6b	Stoxx600	549	-4
	UK	4.73	-3				CSI300	3919	-13

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

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

The sell-off on Wall Street resumed overnight, as US President Donald Trump said that he would introduce a 25% tariff on imported cars effective on 2 April. This was the first decline in stock prices in four days and was led by information technology and communication services. The S&P 500 fell by 1.1%, while the tech-heavy Nasdaq lost 1.8%.

The losses on Wall Street followed mixed results in Europe and the Asia-Pacific region. The ASX 200 rose by 0.7% yesterday, with health care the only industry to close in the red. However, the Aussie share market followed Wall Street's lead and opened lower this morning.

The Australian dollar was steady versus the stronger greenback, but appreciated against the other major currencies. Commonwealth bond yields picked up across the yield curve, with somewhat stronger increases for longer maturities.

In commodity markets, the gold price and oil futures picked up overnight. Copper futures at New York's Comex exchange reached a new record high, as US traders race to import the metal before US President Trump imposes tariffs. However, copper futures on the London Metal Exchange declined by 1.8% overnight, after reaching their nine-month highs.

Meanwhile, St Louis Fed President Alberto Musalem warned that the inflationary impacts from tariffs might not be temporary after all, citing second-round effects. His Chicago counterpart Austan Goolsbee assessed that the FOMC has entered 'a different chapter', with 'wait and see' being the right approach at times of heightened uncertainty ('lots of dust in the air'). However, he continued to judge that the fed funds rate will be 'a fair bit lower' in 12-18 months from now, even if the cut decision is made slightly later than previously thought.

Data-wise, US durable goods orders unexpectedly rose by 0.9% in February (mkt exp.: -1.0%), which followed an upwardly revised gain of 2.3% in the previous month (originally: +2.2%). The rise was driven by the volatile aircraft orders, while non-defence capital goods orders ex aircraft fell by 0.3% (mkt exp.: +0.2%).

Across the Pacific, the UK CPI rose by 0.4% in February, but the annual rate of consumer price inflation slowed 0.2ppts to 2.8%. Services price inflation remained high at 5.0% YoY. In the Spring Statement, the UK Chancellor of the Exchequer Rachel Reeves announced £14b in spending and welfare cuts to ensure a balanced budget in 2029-30.

In Australia, the [monthly CPI indicator](#) suggested that the annual rate of consumer price inflation declined by 0.1ppts to 2.4%, against the market expectations of no change. Annual trimmed mean inflation, which is the RBA's preferred inflation gauge ebbed 0.1ppts to 2.7%. Both measures are very close to the mid-point of the RBA's 2-3% target range. The decline in inflation in February reflected mainly lower petrol prices and the impacts of electricity bill relief measures, but most categories saw slower annual price growth in February.

## Economic Data Review

- **AU:** Monthly CPI Indicator (YoY, Feb) – Actual 2.4%, Expected 2.5%, Previous 2.5%.
- **UK:** CPI (MoM, Feb) – Actual 0.4%, Expected 0.5%, Previous -0.1%.
- **US:** Durable Goods Order (MoM, Feb) – Actual 0.9%, Expected -1.0%, Previous 3.3% (revised).

## Economic Data Preview

- **US:** GDP (QoQ annualised, Q4, final) – Expected 2.5%, Previous 2.3%.
- **US:** Initial Jobless Claims (w/e 22 Mar) – Expected 225k, Previous 223k.