

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6217	0.3%	WTI Crude Oil	76.89	-\$1.44
90-day Bill	4.33	0	AUD/JPY	97.07	0.3%	Brent Crude Oil	80.15	-\$0.98
3-year Bond	3.91	-7	AUD/EUR	0.5996	-0.5%	Mogas95*	87.01	-\$0.58
10-year Bond	4.44	-6	AUD/GBP	0.5073	-0.3%	CRB Index***	311.08	0.00
			AUD/NZD	1.1044	-0.4%	Gold	2704.14	\$9.82
			AUD/CNY	4.5548	0.2%	Silver	30.28	-\$0.01
<b>US</b>			EUR/USD	1.0362	0.8%	Iron Ore (62% Fe)**	104.70	\$0.55
2-year	4.25	-3	USD/JPY	156.14	0.0%	Iron Ore (24-25 Average)	101.37	\$0.02
10-year	4.58	-5	USD/CNY	7.2731	-0.7%	Copper	9275.00	\$85.00
			<b>RBA Policy</b>			<b>Equities</b>		
			O/N Cash Rate Target	4.35		ASX200	8385	47
			Interbank O/N Cash Rate	4.34		Dow Jones***	43488	0
<b>Other 10-year</b>			Probability of a 25bps Cut in Feb	72.8%		S&P500***	5997	0
Japan	1.19	-2	RBA Bond Holdings (31 Dec)	A\$297.6b		Stoxx600	524	0
Germany	2.53	-1				CSI300	3830	17
UK	4.66	0						

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

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

\*\*\*No change due to a public holiday.

US financial markets were closed for the Martin Luther King Jr. Day holiday, but US equity futures were on a rise for most of the trading day, as increases in import tariffs were missing from the list of executive orders US President Donald Trump is signing on his first day in office.

The upward move in US futures was largely reversed, as President Trump announced that tariffs will likely be introduced for Canada and Mexico. US Treasury yields declined this morning.

In Australia, the ASX 200 closed 0.5% higher yesterday, with energy and communication services being the only sectors not to see gains. Commonwealth bond yields fell during yesterday's trading session and dropped further this morning, to be at the lowest levels in two weeks.

The Australian dollar climbed against the weaker US dollar and Japanese yen, with the AUD/USD rising to its highest level since mid-December. However, the Aussie dollar is relatively steady against the euro and British pound.

Given no other events, investors' attention was centred around President Trump's victory speech, which served as a base for speculation on the executive orders to be signed later today. In his speech, President Trump's focus included undocumented migrants and a reversal of US energy policies, which is intended to reduce cost price inflation, government regulation and putting a brake on Federal Government hiring. However, tariff hikes were not included in the list of orders to be signed on his first day of office.

President Trump delivered his inauguration speech at the time of writing, which was followed by signing of first executive orders and further announcements. The new US President revoked 78 orders of former President Joe Biden and suggested that he would impose 25% tariff rates on Mexico and Canada. The latter sent the US dollar sharply up, but it is still trading lower than this time yesterday.

In commodity markets, the announcement of reversal of green energy policies by President Trump saw oil prices drop by almost 2%, but Brent futures are still trading around US\$80 a barrel. Iron ore futures rose by another 0.4%, reaching the highest level since mid-December. The gold price picked up by around 0.5% in the US dollar terms.

The People's Bank of China has left its loan prime rates unchanged yesterday, as expected.

In Australia, ANZ Roy Morgan consumer confidence fell by 1.5% last week, which followed a 0.5% decline in the week ending 11 January 2025. Consumer confidence remains 14.2% below the long-term average, but around 10% above the 2023 lows. Consumer inflation expectations rose by 0.2ppts last week to 5.2%, which is the highest level since mid-2024.

## Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 18 Jan) – Actual -1.5%, Previous -0.5%.
- **CH:** PBoC Decision (Five-year Loan Prime Rate) – Actual 3.60%, Expected 3.60%, Previous 3.60%.

## Economic Data Preview

No market-moving data.