

| Interest Rates (%) |      |      | FX                                |        |           | Commodities US\$         |         |          |
|--------------------|------|------|-----------------------------------|--------|-----------|--------------------------|---------|----------|
| Australia          |      | Δ bp | AUD/USD                           | 0.6574 | -0.3%     | WTI Crude Oil            | 80.88   | -\$0.76  |
| 90-day Bill        | 4.35 | 0    | AUD/JPY                           | 99.59  | 0.2%      | Brent Crude Oil          | 85.60   | -\$0.35  |
| 3-year Bond        | 3.70 | 7    | AUD/EUR                           | 0.6050 | 0.3%      | Mogas95*                 | 104.19  | \$0.03   |
| 10-year Bond       | 4.06 | 4    | AUD/GBP                           | 0.5190 | 0.7%      | CRB Index                | 286.56  | 1.04     |
|                    |      |      | AUD/NZD                           | 1.0869 | 0.3%      | Gold                     | 2184.30 | -\$17.39 |
|                    |      |      | AUD/CNY                           | 4.7293 | -0.1%     | Silver                   | 24.79   | -\$0.86  |
| US                 |      |      | EUR/USD                           | 1.0866 | -0.6%     | Iron Ore (62% Fe)**      | 108.75  | \$2.45   |
| 2-year             | 4.63 | 4    | USD/JPY                           | 151.49 | 0.5%      | Iron Ore (23-24 Average) | 120.44  | -\$0.04  |
| 10-year            | 4.26 | -1   | USD/CNY                           | 7.1995 | 0.0%      | Copper                   | 8950.50 | \$22.50  |
|                    |      |      | RBA Policy                        |        |           | Equities                 |         |          |
|                    |      |      | O/N Cash Rate Target              |        | 4.35      | ASX200                   | 7761    | 5        |
|                    |      |      | Interbank O/N Cash Rate           |        | 4.32      | Dow Jones                | 39781   | 269      |
| Other 10-year      |      |      | Probability of a 25bps Cut in May |        | 21.2%     | S&P500                   | 5242    | 17       |
| Japan              | 0.74 | 0    | RBA Bond Holdings (29 Feb)        |        | A\$335.5b | Stoxx600                 | 510     | 5        |
| Germany            | 2.41 | -3   |                                   |        |           | CSI300                   | 3581    | -4       |
| UK                 | 4.00 | -2   |                                   |        |           |                          |         |          |

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

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

The positive global equity market sentiment continued last night, which translated into a rise of the MSCI World index to a new record high. Records were broken both on Wall Street and in continental Europe, with all three major US stock indices and the Stoxx 600 at record highs. US Treasury yields picked up at the front of the yield curve, while the US dollar appreciated, as fed funds rate cut expectations were scaled back a bit.

The Australian dollar strengthened following the bumper Aussie labour force survey published yesterday, but the appreciation of the greenback saw the AUD/USD retreat overnight. Commonwealth bond yields picked up, especially at the front end of the yield curve, as cash rate cut expectations were pushed back to November. However, the ASX 200 managed to climb 1.1% yesterday, with gains in all sectors except for health care and utilities.

The Bank of England left its bank rate unchanged at 5.25% yesterday, with no Monetary Policy Committee members voting for a rate hike and one voting for a cut. The first 25bps bank rate cut is fully priced in for August. The Swiss National Bank unexpectedly cut its policy rate by 25bps to 1.50% yesterday.

The S&P Global flash PMIs for March were roughly in line with expectations, signalling ongoing expansion in the US, UK and Japan as well as near-stagnant conditions in the euro area.

The annual rate of Japanese CPI inflation rose 0.6ppts to 2.8% in February, while the so-called 'core-core' inflation (excluding energy and fresh food) declined 0.3ppts to 3.2%.

Aussie **employment** surged a seasonally adjusted 116.5k in February, significantly more than the 40.0k pencilled in by the market consensus. The February surge followed a 61.8k drop in December and a modest 15.3k gain in January (revised from 0.5k). The seasonally adjusted unemployment rate dropped 0.4ppts to 3.7% in February (mkt exp. 4.0%).

The strong seasonally adjusted employment gain in February could be due to changing seasonal patterns in the aftermath of the pandemic, which are not yet captured by seasonal adjustment, as more people take leave or depart jobs around the Christmas season and return to employment after the summer break. Trend employment growth rose by just 26.7k in February, while the trend unemployment rate was unchanged at 3.8%.

## ECONOMIC DATA REVIEW

- **AU:** Employment (monthly change, Feb) – Actual 116.5k, Expected 40.0k, Previous 15.3k (revised).
- **AU:** Unemployment Rate (Feb) – Actual 3.7%, Expected 4.0%, Previous 4.1%.
- **JP:** Jibun Bank Composite PMI (Mar, flash) – Actual 52.3, Previous 50.6.
- **JP:** CPI (YoY, Feb) – Actual 2.8%, Expected 2.9%, Previous 2.2%.
- **EZ:** HCOB Composite PMI (Mar, flash) – Actual 49.9, Expected 49.7, Previous 49.2.
- **UK:** S&P Global Composite PMI (Mar, flash) – Actual 52.9, Expected 53.1, Previous 53.0.
- **US:** S&P Global Composite PMI (Mar, flash) – Actual 52.2, Expected 52.2, Previous 52.5.

## ECONOMIC DATA PREVIEW

No market-moving data.

### Disclaimer

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