

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7170	0.6%	WTI Crude Oil	107.38	\$0.66
90-day Bill	4.45	0	AUD/JPY	113.92	0.7%	Brent Crude Oil	112.10	\$1.71
3-year Bond	4.71	-3	AUD/EUR	0.6152	0.3%	Mogas95*	135.03	\$0.43
10-year Bond	5.06	-4	AUD/GBP	0.5339	-0.3%	CRB Index	405.77	6.48
			AUD/NZD	1.2208	-0.1%	Gold	4579.86	\$61.63
			AUD/CNY	4.8614	-0.2%	Silver	78.60	\$3.42
US			EUR/USD	1.1655	0.3%	Iron Ore (61% Fe)**	108.10	-\$1.05
2-year	4.04	-4	USD/JPY	158.87	0.0%	Iron Ore (25-26 Average)	103.88	\$0.01
10-year	4.59	-1	USD/CNY	6.8001	-0.2%	Copper	13587.50	\$32.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8505	-47
			Interbank O/N Cash Rate	4.35		Dow Jones	49686	160
Other 10-year			Probability of a 25bps Hike in Jun	17.1%		S&P500	7403	-5
Japan	2.74	-4	RBA Bond Holdings (30 Apr)	A\$230.3b		Stoxx600	610	3
Germany	3.15	-2				CSI300	4834	-26
UK	5.10	-7						

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

**Iron ore is the second SGX futures contract.

Equities on Wall Street traded mainly lower overnight, dragged down by concerns over possible US air strikes on Iran. However, the losses were cut late in the session as the US President said strikes had been called off, for now. US Treasury yields climbed early in the session before easing late in the day. The prospect of a fresh outbreak of conflict in the Middle East drove oil prices to the highest levels in two weeks. The US dollar was one of the weakest members of the G10 currency basket.

Uncertainty about the outlook for the US-Iran war remains high, with the US President saying the US was poised to renew strikes on Iran before an appeal from the Gulf States to give more time for diplomacy.

The falls on Wall Street followed a positive session in Europe and widespread losses in the Asia-Pacific, including a 1.5% drop in the ASX 200. All industry sectors on the ASX closed lower except energy, with industrials, materials and real estate having the biggest declines. The Aussie market has opened higher this morning.

Aussie bond yields have opened lower this morning following the moves in the US overnight. However, yields have retraced some of the early decline after RBA Assistant Governor Sarah Hunter highlighted the RBA's concerns over higher inflation in a speech in Sydney this morning. The release of the minutes of the RBA Monetary Policy Board meeting in May will be a key focus for traders today, with attention drawn to any guidance on future increases after rate hikes following each of the last three policy meetings.

The Aussie dollar clawed back some of Friday's losses, after the AUD/USD fell to as low as US\$0.7119 in early trade yesterday.

The ANZ-Roy Morgan weekly consumer confidence report for 11-17 May, showed a 3.6% rise, following a 4.6% fall to a five-week low in the previous week. However, it remains around historical lows. Weekly inflation expectations eased 0.4ppts to 6.0%, the lowest since early March, while the four-week moving average fell 0.3ppts to 6.4%. The closely watched Westpac-Melbourne Institute consumer sentiment report for May will be released this morning.

Chinese activity data for April disappointed across the board. Retail sales growth almost stalled, with just a 0.2% YoY gain, the lowest since early 2023. Annual growth in industrial production dropped to a near three-year low of 4.1%, with steel output down by 2.8% YoY. Urban fixed asset investment growth turned back negative (-1.6% YoY YtD), while the decline in property investment deepened to 13.7% YoY YtD.

Economic Data Review

- **AU:** ANZ Roy Morgan Weekly Consumer Sentiment (w/e 17 May) – Actual 3.5%, Previous -4.6%.
- **JP:** GDP (QoQ, Q1) – Actual 0.5%, Expected 0.4%, Previous 0.2% (revised).
- **CH:** Retail Sales (YoY, Apr) – Actual 0.2%, Expected 2.0%, Previous 1.7%.
- **CH:** Industrial Production (YoY, Apr) – Actual 4.1%, Expected 6.0%, Previous 5.7%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Apr) – Actual -1.6%, Expected 1.7%, Previous 1.7%.

Economic Data Preview

- **AU:** RBA Monetary Policy Board Minutes (May).
- **AU:** RBA Assistant Governor Sarah Hunter Speaks.
- **AU:** Westpac Consumer Sentiment (MoM, May) – Previous 4.5%.