

Interest Rates			FX			Commodities US\$			
Australia		Δ bp	AUD/USD	0.6575	0.6%	WTI Crude Oil	58.65	-\$0.93	
	90-day Bill	3.67	0	AUD/JPY	102.36	0.6%	Brent Crude Oil	62.45	-\$0.72
	3-year Bond	3.96	4	AUD/EUR	0.5653	0.3%	Mogas95*	76.81	-\$0.48
	10-year Bond	4.64	3	AUD/GBP	0.4973	0.4%	CRB Index	300.87	-1.87
			AUD/NZD	1.1448	0.2%	Gold	4210.65	-\$12.67	
			AUD/CNY	4.6366	0.1%	Silver	58.60	\$1.19	
US			EUR/USD	1.1629	0.2%	Iron Ore (62% Fe)**	103.75	\$0.45	
	2-year	3.51	-2	USD/JPY	155.68	0.0%	Iron Ore (25-26 Average)	103.19	\$0.02
	10-year	4.09	0	USD/CNY	7.0712	0.0%	Copper	11145.00	-\$107.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.60	ASX200	8610	32	
			Interbank O/N Cash Rate		3.60	Dow Jones	47474	185	
	Japan	1.87	-1	Probability of a 25bps Cut in Dec		0.0%	S&P500	6829	17
	Germany	2.75	0	RBA Bond Holdings (28 Nov)		A\$250.3b	Stoxx600	576	0
	UK	4.47	-1				CSI300	4554	-22

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

**Iron ore is the second SGX futures contract.

The S&P 500 resumed climbing on Tuesday night, but the gains were narrow, limited to information technology, communication and industrials, while other sectors saw further losses. US Treasury yields declined at the front end of the yield curve, but were slightly changed for longer maturities. The US dollar depreciated.

This followed mixed results in Europe and gains in most of the Asia-Pacific region. The ASX 200 ticked up by 0.2% yesterday, with gains and losses almost equally split across the sectors. The strongest declines were recorded in information technology, while energy saw the largest gains. The Aussie share market opened marginally higher this morning.

The Australian dollar benefitted from a slight improvement in global sentiment, appreciating against all the major currencies. The AUD/USD has reached a fresh one-month high, while the AUD/JPY is the highest since July 2024. Commonwealth bond yields picked up ahead of the Q3 GDP figures scheduled for release later this morning.

Data-wise, euro area HICP inflation unexpectedly rose by 0.1ppts to 2.2% in November, while core inflation held steady at 2.4%. The ECB's definition of price stability is 'below but close to 2%'. The markets reckon that the ECB is done with easing in this cycle, but do not expect rate hikes either.

In Australia, the current account deficit widened to A\$16.6b in Q3 from A\$16.2b in the previous quarter. This slight deterioration was driven by a decline in trade balance, partly offset by a narrowing in the net primary account deficit. The lower trade balance, in turn, came as a rise in exports was weaker than the gain in imports.

The ABS estimates that net trade subtracted 0.1ppts from real GDP growth in Q3, but it also said that total public demand added 0.4ppts to growth.

Yesterday also saw some housing market data. According to ABS quarterly data, the total value of dwellings rose by another 2.7% in Q3, with the number of residential dwellings up by 53.8k to 11,410.7k and the mean price of residential dwellings rising by A\$23.0k to A\$1,045.4k. This was followed by a broad-based 6.4% drop in dwelling approvals in October, which was larger than the 4.5% decline expected by the markets, with private sector house approvals down by 2.1%.

Economic Data Review

- **AU:** Current Account Balance (Q3) – Actual -A\$16.6b, Expected -A\$13.0b, Previous -A\$16.2b (revised).
- **AU:** Total Value of Dwellings (QoQ, Q3) – Actual 2.7%, Previous 1.8% (revised).
- **AU:** Dwelling Approvals (MoM, Oct) – Actual -6.4%, Expected -4.5%, Previous 11.1% (revised).
- **EZ:** HICP (YoY, Nov) – Actual 2.2%, Expected 2.1%, Previous 2.1%.

Economic Data Preview

- **AU:** GDP (QoQ, Q3) – Expected 0.7%, Previous 0.6%.
- **CH:** RatingDog Services PMI (Nov) – Expected 52.1, Previous 52.6.
- **US:** ADP Employment (monthly change, Nov) – Expected 5k, Previous 42k.
- **US:** Industrial Production (MoM, Sep) – Expected 0.1%, Previous -0.1%.
- **US:** ISM Services PMI (Nov) – Expected 52.0, Previous 52.4.