

Interest Rates			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6518	0.0%	WTI Crude Oil	64.20	\$0.81
	90-day Bill	3.63	AUD/JPY	96.67	0.5%	Brent Crude Oil	66.90	\$0.73
	3-year Bond	3.42	AUD/EUR	0.5612	0.3%	Mogas95*	78.44	\$1.46
	10-year Bond	4.27	AUD/GBP	0.4853	0.1%	CRB Index	295.69	1.62
<b>US</b>			AUD/NZD	1.0971	0.1%	Gold	3350.75	-\$37.44
	2-year	3.77	AUD/CNY	4.6835	-0.1%	Silver	37.75	-\$0.44
	10-year	4.29	EUR/USD	1.1616	-0.2%	Iron Ore (62% Fe)**	103.80	\$0.85
			USD/JPY	148.30	0.4%	Iron Ore (25-26 Average)	100.28	\$0.14
<b>Other 10-year</b>			USD/CNY	7.1888	0.1%	Copper	9731.50	-\$30.50
			<b>RBA Policy</b>			<b>Equities</b>		
			O/N Cash Rate Target	3.85		ASX200	8860	21
			Interbank O/N Cash Rate	3.84		Dow Jones	43975	-201
Japan	1.50	1	Probability of a 25bps Cut in Aug	97.9%		S&P500	6373	-16
Germany	2.70	1	RBA Bond Holdings (31 Jul)	A\$272.1b		Stoxx600	547	0
UK	4.57	-4				CSI300	4123	18

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

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

US stocks started the trading week on the back foot, as investors turned cautious ahead of the US CPI data scheduled for tonight. The only sectors that saw gains were consumer stocks and healthcare, as US President Donald Trump extended the tariff truce with China by another 90 days.

Semiconductor stocks saw relatively moderate losses, despite chip makers Nvidia and AMD agreeing to pay 15% of revenues made in China to the US government, in return for licenses to export certain chips used in artificial intelligence. US President Trump is also reportedly considering whether Nvidia can sell a scaled-back version of its most advanced processor to China.

The losses in the US followed mixed results in Europe and gains in most of the Asia-Pacific region. The ASX 200 closed 0.4% higher yesterday, with gains in all sectors except for consumer discretionary, information technology and utilities. The Aussie share market has opened flat this morning.

Commonwealth bond yields picked up ahead of the RBA monetary policy decision later today, with a 25bps cash rate target cut to 3.60% widely expected. The Australian dollar was steady versus the stronger greenback, but appreciated against the rest of the major currencies.

The gold price dropped after President Trump said in a social media post that gold will not be subject to import tariffs in the US after all, which followed some confusion over a possible 39% tariff on Swiss gold over the weekend.

In other commodity news, iron ore futures picked up a little further, to be the highest in over a fortnight, amid hopes that mills in the steel hub of Tangshan will ramp up production ahead of temporary closures at the turn of August and September. Oil prices rose a little, as investors await the Trump-Putin meeting on Friday night.

From Fedspeak, Fed Governor Michele Bowman said in a published text of a Saturday speech that the recently weaker labour market data and likely economic growth slowdown this year support a case for resuming fed funds rate cuts towards the neutral level. Bowman voted for a 25bps interest rate cut at the FOMC meeting in late July.

Data-wise, the ANZ Roy Morgan consumer confidence index declined by 1.4% last week, which was a setback from a significant gain the week before. Two-year consumer inflation expectations declined by 0.2pts to 5.0%.

## Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 9 Aug) – Actual 89.3, Previous 90.6.

## Economic Data Preview

- **AU:** RBA Monetary Policy Board Decision (Cash Rate Target) – Expected 3.60%, Previous 3.85%.
- **AU:** RBA Statement on Monetary Policy.
- **AU:** Media Conference by RBA Governor Michele Bullock.
- **AU:** NAB Business Conditions (Jul) – Previous 9.
- **AU:** NAB Business Confidence (Jul) – Previous 5.
- **UK:** Unemployment Rate (Jun) – Expected 4.7%, Previous 4.7%.
- **US:** CPI (MoM, Jul) – Expected 0.2%, Previous 0.3%.
- **US:** NFIB Small Business Optimism (Jul) – Expected 98.6, Previous 98.6.