

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6446	0.1%	WTI Crude Oil	90.74	\$1.90
90-day Bill	4.13	0	AUD/JPY	95.00	0.3%	Brent Crude Oil	94.16	\$1.97
3-year Bond	3.83	-2	AUD/EUR	0.6057	1.0%	Mogas95*	104.92	\$1.91
10-year Bond	4.10	-2	AUD/GBP	0.5195	0.8%	CRB Index	290.29	2.66
			AUD/NZD	1.0897	0.4%	Gold	1911.32	-\$0.26
			AUD/CNY	4.6855	0.4%	Silver	22.67	-\$0.20
US			EUR/USD	1.0641	-0.9%	Iron Ore (62% Fe)**	121.50	\$2.15
2-year	5.00	4	USD/JPY	147.39	0.2%	Iron Ore (23-24 Average)	110.95	\$1.07
10-year	4.28	4	USD/CNY	7.2789	0.1%	Copper	8417.50	\$0.50
Other 10-year			RBA Policy			Equities		
Japan	0.72	0	O/N Cash Rate Target	4.10		ASX200	7299	136
Germany	2.59	-6	Interbank O/N Cash Rate	4.07		Dow Jones	34907	332
UK	4.28	-7	Probability of a 25bps Hike in Oct	6.6%		S&P500	4505	38
			RBA Bond Holdings (31 Aug)	A\$337.0b		Stoxx600	461	7
						CSI300	3734	-3

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

**Iron ore is the second SGX futures contract.

US stocks saw solid gains overnight, as US economic data hit the sweet spot of boosting sentiment without raising rate hike expectations. However, US Treasury yields increased and the US dollar appreciated.

US retail sales rose 0.6% in August (exp.: +0.1%), following a downwardly revised 0.5% increase in July (originally 0.7%). The increase was largely driven by higher fuel prices, with retail sales excluding service station sales up 0.2%. 'Core retail sales' (excluding food services, cars, petrol and building materials) ticked up just 0.1%.

The US PPI rose 0.7% in August (exp. 0.4%), taking annual producer price inflation 0.8ppts higher to 1.6%. The rise in producer prices was mainly driven by higher energy prices amid the recent surge in oil prices. Excluding food, energy and trade, the PPI rose by 0.3%, the same as in July.

US initial jobless claims rose just 3,000 last week, to remain low at 220k.

Across the Atlantic, the ECB increased its policy rates by 25bps, including the deposit rate to a record high of 4.00%, but signalled that this is likely the final hike in this tightening cycle.

In Australia, employment surged 64.9k in August, more than double the consensus expectation for a 25.0k increase. The rise was mainly driven by part-time jobs (+62.1k), however, with only a marginal increase in full-time employment (+2.8k). The unemployment rate remained at 3.7%, as the participation rate unexpectedly edged up to a new record high of 67.0%. The underemployment rate rose 0.2ppts to 6.6%, which is the highest level since February 2022. Western Australian employment rose 14.7k, though the unemployment rate picked up to 3.8% amid a surge in the participation rate to 69.3%, which is by far the highest of all the states.

Since the details of the labour force survey results were mixed, the upside surprise to the headline employment growth had little impact on local markets. Commonwealth bond yields declined slightly, the ASX 200 saw a broad-based gain of 0.5% and the Australian dollar appreciated against all the major currencies, including the stronger greenback.

ECONOMIC DATA REVIEW

- **AU:** Employment (monthly change, Aug) – Actual 64.9k, Expected 25.0k, Previous -1.4k (revised).
- **AU:** Unemployment Rate (Aug) – Actual 3.7%, Expected 3.7%, Previous 3.7%.
- **US:** Retail Sales (MoM, Aug) – Actual 0.6%, Expected 0.1%, Previous 0.5% (revised).
- **US:** PPI (MoM, Aug) – Actual 0.7%, Expected 0.4%, Previous 0.4% (revised).
- **US:** Initial Jobless Claims (w/e 15 Sep) – Actual 220k, Expected 225k, Previous 217k (revised).

ECONOMIC DATA PREVIEW

- **CH:** Retail Sales (YoY, Aug) – Expected 3.0%, Previous 2.5%.
- **CH:** Industrial Production (YoY, Aug) – Expected 3.9%, Previous 3.7%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Aug) – Expected 3.3%, Previous 3.4%.
- **US:** Industrial Production (MoM, Aug) – Expected 0.1%, Previous 1.0%.
- **US:** University of Michigan Consumer Confidence (Sep, prelim.) – Expected 69.0, Previous 69.5.

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