

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6363	-0.4%	WTI Crude Oil	62.30	-\$1.83
	90-day Bill	3.92	AUD/JPY	91.06	0.2%	Brent Crude Oil	66.17	-\$1.74
	3-year Bond	3.37	AUD/EUR	0.5612	-0.1%	Mogas95*	76.06	-\$1.03
	10-year Bond	4.27	AUD/GBP	0.4794	-0.3%	CRB Index	295.62	-1.68
US			AUD/NZD	1.0694	0.0%	Gold	3337.29	-\$19.25
	2-year	3.85	AUD/CNY	4.6376	-0.4%	Silver	33.65	\$1.02
	10-year	4.36	EUR/USD	1.1340	-0.3%	Iron Ore (62% Fe)**	100.25	\$1.10
			USD/JPY	143.13	0.5%	Iron Ore (24-25 Average)	101.73	\$0.00
Other 10-year			USD/CNY	7.2871	-0.3%	Copper	9382.50	\$13.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7955	25
			Interbank O/N Cash Rate	4.09		Dow Jones	39607	420
Japan	1.34	1	Probability of a 50bps Cut in May	59.2%		S&P500	5376	88
Germany	2.50	5	RBA Bond Holdings (31 Mar)	A\$297.4b		Stoxx600	517	9
UK	4.55	1				CSI300	3787	3

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

**Iron ore is the second SGX futures contract.

US equities rose again overnight, with sentiment given a further boost by a newspaper report saying the White House is considering cutting tariffs on China from 145% to around 50-65% as a sign of goodwill ahead of negotiations. However, some of the early gains were reversed following comments from Treasury Secretary Scott Bessent that there is no unilateral offer on the table. The rise on Wall Street followed strong increases in Europe and the Asia-Pacific. The Aussie market jumped at yesterday's open but lost a little ground during the day to close 1.3% higher.

The AUD has had a mixed 24 hours, climbing to as high as US\$0.6435 overnight as financial market sentiment continued to improve, before sliding later in the session. The greenback has continued its recovery after falling to a three-year low against a basket of major currencies on Monday, with the US dollar index posting its second solid increase in a row.

US Treasury yields slipped early in the overnight session amid hopes for a reduction in US tariffs on China, however yields rebounded later in the day. Aussie bonds have taken their lead from the US Treasury market, with yields opening higher this morning.

Oil prices dropped following reports that some OPEC+ members will push for an accelerated production increase in June. Gold continued to retreat from record levels, while iron ore futures prices touched US\$100 / tonne for the first time in almost three weeks.

The Fed's Beige Book, a summary of economic conditions across the 12 Fed districts which will form the backdrop to the FOMC meeting in May, reported little change in economic activity from the previous edition in early March, however, the outlook "worsened considerably" across several districts. The labour market saw a slight deterioration from the previous report. Inflation was similar to the March report, but tariffs are already impacting the outlook for prices.

The US flash S&P Global PMI for April was a focus as traders looked for signs of an early tariff impact. The composite measure slipped 2.3pts to a 16-month low of 51.2, indicating a slowdown in business activity growth (above 50 = expansion). The services subindex dropped 3.0pts to 51.4, partly driven by a fall in exports (including tourism). The manufacturing PMI picked up 0.5pts to 50.7, linked to an increase in domestic demand, while export orders saw a marked fall. Respondents linked the falls in exports in both services and manufactured goods to US trade policy.

The Japanese flash composite PMI for April climbed 2.2pts to 51.1, to be back in expansion after a brief foray into contraction in March. The euro area composite PMI slipped 0.8pts to a four-month low of 50.1, with both the manufacturing and service sectors remaining depressed. German business activity declined for the first time in four months and France remained in contraction. Growth eased across the rest of the euro area but remained solid.

Economic Data Review

- **JP:** Jibun Bank Composite PMI (Apr, flash) – Actual 51.1, Previous 48.9.
- **EZ:** HCOB Composite PMI (Apr, flash) – Actual 50.1, Expected 50.2, Previous 50.9
- **UK:** S&P Global Composite PMI (Apr, flash) – Actual 48.2, Expected 50.4, Previous 51.5.
- **US:** S&P Global Composite PMI (Apr, flash) – Actual 51.2, Expected 52.0, Previous 53.5.

Economic Data Preview

- **US:** Durable Goods Orders (MoM, Mar) – Expected 2.0%, Previous 1.0%.