

Interest Rates (%)			FX			Commodities US\$			
Australia		Δ bp	AUD/USD	0.6386	-0.4%	WTI Crude Oil	64.13	\$0.54	
	90-day Bill	3.94	-2	AUD/JPY	90.89	0.5%	Brent Crude Oil	67.91	\$1.01
	3-year Bond	3.32	7	AUD/EUR	0.5615	0.6%	Mogas95*	77.09	\$0.88
	10-year Bond	4.25	-1	AUD/GBP	0.4806	0.2%	CRB Index	297.30	3.89
			AUD/NZD	1.0697	0.0%	Gold	3356.54	-\$71.86	
US			AUD/CNY	4.6585	-0.4%	Silver	32.63	-\$0.06	
			EUR/USD	1.1374	-1.0%	Iron Ore (62% Fe)**	99.15	\$0.20	
	2-year	3.83	7	USD/JPY	142.37	0.9%	Iron Ore (24-25 Average)	101.73	-\$0.02
	10-year	4.35	-4	USD/CNY	7.3074	0.2%	Copper	9369.00	\$180.50
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		4.10	ASX200	7929	152	
			Interbank O/N Cash Rate		4.09	Dow Jones	39187	1017	
	Japan	1.34	2	Probability of a 50bps Cut in May		59.2%	S&P500	5288	130
	Germany	2.44	-3	RBA Bond Holdings (31 Mar)		A\$297.4b	Stoxx600	508	1
	UK	4.55	-2				CSI300	3784	-1

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

**Iron ore is the second SGX futures contract.

US financial markets remained volatile overnight, with the benchmark S&P 500 rising 2.5%, while shorter-term US Treasury yields climbed, and the US dollar recovered some lost ground. The major catalysts for the turnaround were reports of progress in US trade negotiations with Japan and India, comments from President Trump that he has no plans to remove Fed Chair Jerome Powell, and that the current level of tariffs with China will come down substantially. His latter comment was backed by US Treasury Secretary Scott Bessant who added that the current level of US-China tariffs is unsustainable and that the two sides will have to negotiate.

Elsewhere, European equities had a positive day, and the Asia-Pacific session was mixed, including in Australia where the ASX 200 slumped early in the morning but recovered during the remainder of the day to close basically flat. The Aussie market has opened sharply higher this morning.

European bond yields continued to slide, helped by comments from ECB president Christine Lagarde that the Bank is close to achieving its inflation goal. Aussie three-year bond yields have followed shorter-term US yields higher this morning, and the AUD has climbed against all the major currencies except the stronger greenback.

Gold fell from record levels on profit-taking following the recent surge, while oil prices picked up as sentiment improved, the US tightened sanctions on Iran, and US crude stockpiles reportedly fell last week.

The increase in tariffs in the US and retaliation from its trading partners saw the IMF downgrade its global growth forecast for 2025 to 2.8% in the latest edition of its World Economic Outlook, down 0.5ppts from its January forecast, with growth expected to accelerate slightly to 3.0% in 2026. This follows estimated 3.3% growth in 2024. The 2025 growth projection for the advanced economies was lowered by 0.5ppts to 1.4%, highlighted by a hefty 0.9ppts downward revision to the US to 1.8%. The forecast for Australia was revised from 2.1% to 1.6%. The emerging and developing market outlook was lowered 0.5ppts to 3.7%, with 0.6ppts cut from China's growth forecast to 4.0% and a 0.3ppts downgrade to India to 6.2%.

The S&P Global Australian flash composite PMI for April edged down 0.2pts to 51.4, suggesting a slightly slower growth rate in the month (above 50 = expansion). The services subindex also eased 0.2pts to 51.4 and manufacturing slipped 0.4ppts to 51.7. New orders grew at the fastest pace in three years, mainly driven by services, although confidence fell. Employment continued to rise and input prices increased at a sharp rate, mainly driven by goods producers, which saw manufacturers raise selling prices at the fastest pace in more than two years.

Economic Data Review

- AU:** S&P Global Composite PMI (Apr, flash) – Actual 51.4, Previous - 51.6.
- AU:** ANZ-Roy Morgan Weekly Consumer Confidence (w/e 20 Apr) – Actual 1.5%, Previous -3.0%.

Economic Data Preview

- JP:** Jibun Bank Composite PMI (Apr, flash) – Previous – 48.9.
- EZ:** HCOB Composite PMI (Apr, flash) – Previous – 50.9
- UK:** S&P Global Composite PMI (Apr, flash) – Previous – 51.5.
- US:** S&P Global Composite PMI (Apr, flash) – Previous – 53.5.