

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6451	-0.1%	WTI Crude Oil	85.87	\$0.08
90-day Bill	4.13	0	AUD/JPY	94.52	0.2%	Brent Crude Oil	88.90	\$0.20
3-year Bond	3.81	7	AUD/EUR	0.5977	-0.3%	Mogas95*	99.32	\$1.34
10-year Bond	4.11	7	AUD/GBP	0.5108	-0.4%	CRB Index***	284.36	0.00
			AUD/NZD	1.0867	0.0%	Gold	1937.81	-\$3.29
			AUD/CNY	4.6997	0.2%	Silver	23.94	-\$0.23
US			EUR/USD	1.0793	0.2%	Iron Ore (62% Fe)**	115.50	-\$0.40
2-year	4.90	2	USD/JPY	146.51	0.3%	Iron Ore (23-24 Average)	108.83	\$0.11
10-year	4.20	2	USD/CNY	7.2746	0.1%	Copper	8452.00	-\$48.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7273	-67
			Interbank O/N Cash Rate	4.07		Dow Jones***	34838	0
			Probability of a 25bps Hike in Sep	2.4%		S&P500***	4516	0
Other 10-year			RBA Bond Holdings (31 Jul)	A\$337.0b		Stoxx600	458	0
Japan	0.65	1				CSI300	3849	57
Germany	2.58	3						
UK	4.46	4						

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

**Iron ore is the second SGX futures contract.

***No change due to a public holiday.

It was a quiet day in the global financial markets, with US investors away for the Labor Day holiday. European shares declined following gains in most of the Asia-Pacific. Bond yields are higher, while the Aussie dollar has slipped against the greenback, euro and pound.

There were no significant global data releases overnight.

Speaking on monetary policy communication yesterday, ECB President Christine Lagarde said that emphasising inflation will return to its target over the medium term is important in preventing “self-fulfilling inflationary dynamics”.

In commodity markets, oil prices were up marginally last night. Iron ore futures have slipped after rising sharply early yesterday morning as Chinese authorities announced further support for the real estate sector and news that troubled property developer Country Garden had secured an agreement with creditors.

In Australia, the household spending indicator, showing private consumption expenditures in current but calendar-adjusted terms, fell by 0.7% YoY in July, dragged down by a 4.1% YoY drop in spending for goods which was partly offset by increased spending on services (+2.4% YoY). Spending for non-discretionary items rose by 1.7% YoY, but fell for discretionary items, suggesting that the Australian households have turned cautious.

ANZ Indeed job ads rose by 1.9% in August, following an upwardly revised 0.7% increase in July (was +0.4%). Job ads are 7.8% off their September 2022 peak but are still well above pre-COVID levels.

Australian corporate profits dropped 13.1% in Q2, with mining profits declining by 21.3%. Inventories declined 1.9%. Wages and salaries rose 1.8% in the quarter. Sales of goods and services fell 0.3% in chain volume terms. From other data, mineral exploration picked up by 0.8% in Q2, while petroleum exploration declined by 3.7%.

The ANZ Roy Morgan consumer confidence index rose by another 0.8% but remained depressed. Inflation expectations ticked up 0.1ppts to 5.3%.

In the local markets, the ASX 200 closed 0.6% higher yesterday, while Commonwealth bond yields edged up ahead of the RBA Board decision due later today. We and the market expect no change in the cash rate target at Philip Lowe's final meeting as chair today, but the RBA will most likely retain its hawkish bias.

ECONOMIC DATA REVIEW

- **AU:** ANZ Indeed Job Ads (MoM, Aug) – Actual 1.9%, Previous 0.7% (revised).
- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 2 Sep) – Actual 0.8%, Previous 3.0%.

ECONOMIC DATA PREVIEW

- **AU:** RBA Board Decision (Cash Rate Target) – Expected 4.10%, Previous 4.10%.
- **CH:** Caixin Services PMI (Aug) – Expected 53.5, Previous 54.1.

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