

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6514	-0.9%	WTI Crude Oil	66.87	\$1.59
90-day Bill	3.71	-1	AUD/JPY	96.78	-0.3%	Brent Crude Oil	70.23	\$1.64
3-year Bond	3.47	-3	AUD/EUR	0.5619	0.5%	Mogas95*	79.09	\$1.70
10-year Bond	4.33	-3	AUD/GBP	0.4879	-0.2%	CRB Index	303.48	1.23
			AUD/NZD	1.0921	0.0%	Gold	3308.66	-\$25.92
			AUD/CNY	4.6781	-0.6%	Silver	38.10	-\$0.06
US			EUR/USD	1.1594	-1.4%	Iron Ore (62% Fe)**	101.25	-\$0.75
2-year	3.91	-2	USD/JPY	148.56	0.6%	Iron Ore (25-26 Average)	99.50	\$0.05
10-year	4.40	0	USD/CNY	7.1788	0.1%	Copper	9793.00	\$23.50
			RBA Policy			Equities		
			O/N Cash Rate Target		3.85	ASX200	8674	-8
Other 10-year			Interbank O/N Cash Rate		3.84	Dow Jones	44838	-64
Japan	1.57	-3	Probability of a 25bps Cut in Aug		94.6%	S&P500	6390	1
Germany	2.69	-3	RBA Bond Holdings (30 Jun)		A\$276.4b	Stoxx600	549	-1
UK	4.65	1				CSI300	4136	9

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

**Iron ore is the second SGX futures contract.

The S&P 500 and Nasdaq closed at fresh record highs after a choppy session, as the optimism about the preliminary trade deal between the US and European Union did not last long.

The parties appear to differ about the details of the deal, particularly with respect to tariffs on pharmaceuticals, while the French and German leaders appeared downbeat about the agreement. French Prime Minister Francois Bayrou said that the deal was tantamount to 'submission', while German Chancellor Friedrich Merz warned of potential negative impacts of the agreement on the German and European economies.

Despite the S&P 500 hitting yet another record high, the only industries to register any gains were information technology, consumer discretionary and energy. This followed losses across Europe and mixed results in the Asia-Pacific region.

The ASX 200 rose by 0.4% yesterday, with gains in all the sectors except for materials, energy and utilities, before opening lower this morning. The Australian dollar depreciated against all the major currencies except for the weaker euro. Commonwealth bond yields declined across the yield curve.

Oil prices rose by around 2.0–2.5% overnight, supported by concerns over supply from Russia. This came as US President Donald Trump shortened the deadline for Russia to achieve a truce with Ukraine to just 10–12 days, from 50 days that he had announced two weeks ago. President Trump had previously warned of 100% third party tariffs that would be imposed on countries still importing Russian oil, which include China and India.

In other commodity news, iron ore futures fell a little further, but remain marginally above US\$100 a tonne. The slight decline was sparked by speculation that the Chinese authorities might again restrict steel output in the country. The easing tariff concerns pushed the gold price lower, but it remains just 3.6% off its record high from mid-June.

There were no top tier economic data releases overnight.

From the second-tier data, the Dallas Fed manufacturing activity index unexpectedly rose in July, supported by a surge in production to the highest level in three years. New orders remained negative, however, while cost pressures remained elevated. The survey respondents continued to cite tariffs as the most significant challenge.

At home, ANZ Roy Morgan consumer sentiment rose by 0.5% last week, while consumer inflation expectations picked up by 0.2 percentage points to 4.9%. This measure of consumer confidence has been directionless and quite low for around a year.

Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 26 Jul) – Actual 0.5%, Previous -0.2%.
- **US:** Dallas Fed Manufacturing Activity (Jul) – Actual 0.9, Expected -9.0, Previous -12.7.

Economic Data Preview

- **US:** Goods Trade Balance (Jun) – Expected -US\$98.0b, Previous -US\$96b.
- **US:** Case-Shiller House Price Index 20 Cities (MoM, May) – Expected -0.2%, Previous -0.3%.
- **US:** JOLTS Job Openings (Jun) – Expected 7,550k, Previous 7,769k.
- **US:** Conference Board Consumer Confidence (Jul) – Expected 96.0, Previous 93.0.