

Interest Rates			FX		Commodities US\$			
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6677	-0.3%	WTI Crude Oil	72.94	-\$0.85
90-day Bill	3.71	0	AUD/JPY	88.45	0.7%	Brent Crude Oil	78.25	-\$0.81
3-year Bond	2.93	1	AUD/EUR	0.6158	-0.2%	Mogas95*	102.46	\$0.50
10-year Bond	3.32	-1	AUD/GBP	0.5424	-0.1%	CRB Index	262.71	-0.78
			AUD/NZD	1.0738	0.4%	Gold	1962.15	-\$8.14
			AUD/CNY	4.5979	-0.1%	Silver	23.28	-\$0.06
<b>US</b>			EUR/USD	1.0838	0.0%	Iron Ore (62% Fe)**	124.06	\$1.52
2-year Bond	4.09	1	USD/JPY	132.54	1.0%	Iron Ore (22-23 Average)	108.35	\$0.08
10-year Bond	3.57	0	USD/CNY	6.8862	0.2%	Copper	9002.50	\$24.50
			RBA Policy		Equities			
			O/N Cash Rate Target (%)	3.60		ASX200	7121	83
			Interbank O/N Cash Rate (%)	3.57		Dow Jones	32718	323
<b>Other 10-year</b>			Probability of a 25bps Hike in Apr	16.2%		S&P500	4028	57
Japan	0.32	2	RBA Bond Holdings (28 Feb)	A\$350.5b		Stoxx600	450	6
Germany	2.32	2				CS1300	4006	7
UK	3.46	0						

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

\*\*Iron ore is the second SGX futures contract.

It was quite an optimistic night in the global financial markets, with US and European stocks seeing decent gains, supported by positive earnings outlooks from US companies. Government bond yields were relatively steady, as fed funds rate expectations declined somewhat. The Australian dollar appreciated against the weaker Japanese yen, but was slightly down against the greenback, the euro and British pound.

It was a quiet night data-wise. US pending home sales unexpectedly rose for the third month in a row in February but were still very low. Across the Atlantic, German consumer confidence continued to improve, but remained dismal.

Investors are awaiting the US report on personal income and outlays for February, which will contain PCE inflation targeted by the Fed, as well as euro area inflation data. All these releases are due on Friday, but euro area member states will start releasing their individual inflation figures tonight, with significant declines expected due to base effects.

Speaking in the US Congress, Fed Vice Chair for Supervision Michael Barr said that the responsibility for the failure of the Silicon Valley Bank was shared by bank management, the regulatory system, and the supervisors individually. The report on the collapse of the bank is to be released on 1 May.

In the commodity markets, oil prices declined following strong increases on Tuesday, while iron ore futures rose by another 1.2%.

In Australia, the [monthly CPI indicator](#) rose by 6.8% over the year to February, declining from the 7.4% recorded in the previous month. This was significantly less than the 7.2% expected by the markets. The downside surprise was driven by a larger-than-expected drop in holiday travel and accommodation, which was a further setback from the strong increase in December. The seasonally adjusted CPI indicator picked up by 0.6% in February, with re-acceleration of price growth observed for more than a half of the goods and services categories.

As the details of the monthly CPI report were mixed, RBA cash rate expectations remain broadly unchanged, with no change expected at the Board meeting next week. The Australian dollar depreciated a little, while the three-year Commonwealth bond yield edged up and the 10-year yield ebbed. The ASX 200 closed 0.2% higher yesterday, before rising 0.8% at the open this morning.

#### ECONOMIC DATA REVIEW

- **AU:** Monthly CPI Indicator (YoY, Feb) – Actual 6.8%, Expected 7.2%, Previous 7.4%.
- **DE:** GfK Consumer Confidence (Apr) – Actual -29.5, Expected -29.2, Previous -30.6 (revised).
- **US:** Pending Home Sales (MoM, Feb) – Actual 0.8%, Expected -2.5%, Previous 8.1%.

#### ECONOMIC DATA PREVIEW

- **AU:** Job Vacancies (QoQ, Q1) – Previous -4.9%.
- **US:** GDP (QoQ Annualised, Q4, 3rd estimate) – Expected 2.7%, Previous 3.2%.
- **US:** Initial Jobless Claims (w/e 25 Mar) – Expected 195k, Previous 191k.

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