

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7105	0.7%	WTI Crude Oil	65.95	-\$0.62
90-day Bill	3.99	1	AUD/JPY	109.66	0.2%	Brent Crude Oil	71.25	-\$0.41
3-year Bond	4.27	-4	AUD/EUR	0.6007	0.2%	Mogas95*	80.47	-\$0.14
10-year Bond	4.73	-3	AUD/GBP	0.5252	0.2%	CRB Index	311.02	1.92
			AUD/NZD	1.1842	0.2%	Gold	5138.57	\$146.01
			AUD/CNY	4.8748	0.4%	Silver	86.59	\$8.40
US			EUR/USD	1.1829	0.5%	Iron Ore (62% Fe)**	95.70	\$0.20
2-year	3.48	2	USD/JPY	154.34	-0.5%	Iron Ore (25-26 Average)	103.14	-\$0.04
10-year	4.08	1	USD/CNY	6.9049	0.0%	Copper	12964.00	\$155.00
			RBA Policy			Equities		
			O/N Cash Rate Target	3.85		ASX200	9057	-5
			Interbank O/N Cash Rate	3.85		Dow Jones	49626	231
Other 10-year			Probability of a 25bps Hike in Mar	8.9%		S&P500	6910	48
Japan	2.12	-1	RBA Bond Holdings (30 Jan)	A\$250.2b		Stoxx600	631	5
Germany	2.74	-1				CSI300***	4660	0
UK	4.35	-2						

*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.

Wall Street saw renewed increases on Friday, despite some initial confusion about US tariff policies that dragged the stocks temporarily lower. The rebound in trade uncertainty, coupled with the increasing likelihood of a US attack on Iran, saw the gold price rise further, although oil prices were mixed.

US President Donald Trump has used his powers under the Trade Act to unilaterally impose tariffs for a period of 150 days, announcing a new 10% flat tariff rate on US trading partners, which was subsequently increased to 15%. This came after the US Supreme Court ruled earlier on Friday that tariffs imposed under the emergency powers law (the so-called 'reciprocal' and 'fentanyl' tariffs) were unlawful.

A rather positive session on Wall Street followed gains in Europe and losses in the Asia-Pacific region. The ASX 200 closed 0.1% down on Friday, having regained most of its initial losses later during the trading day. The Aussie share market opened slightly higher today. The better global market sentiment supported the Australian dollar, which appreciated against all major currencies. Commonwealth bond yields declined on Friday and this morning.

US GDP rose by an annualised 1.4% in Q4 2025, half the 2.8% expected by the markets and significantly less than the 4.4% gain in the previous quarter. The downside surprise was caused by slower growth in personal spending, with spending on goods turning flat, as well as a decline in government spending resulting from the longest government shutdown on record. The contribution of net exports was also smaller than in the previous quarter.

The monthly data on real personal consumption expenditure were also weaker than expected, with a 0.1% gain in December that followed a downwardly revised outcome for the previous month (0.2% instead of 0.3%). The PCE price index, in turn, surprised to the upside, rising by 0.4% in December, taking the annual rate of inflation 0.1ppts higher to 3.0%. Annual core inflation rose by 0.2ppts to 3.0%, the highest level since December 2024.

The US S&P Global composite PMI declined by 0.7ppts to a 10-month low of 52.3 (above 50 = expansion), with growth slowing in both manufacturing (-1.2ppts to 51.2) and services (-0.4ppts to 52.3). The details of the report pointed to a decline in orders, only marginal growth in employment, the largest delivery delays since 2022 due to bad weather conditions, and the strongest rise in price pressures in six months.

Elsewhere, the PMIs pointed to a faster pace of expansion in the euro area, the UK and Japan.

The key domestic releases [this week](#) will be the January CPI inflation and Q4 construction work done on Wednesday, Q4 private sector capex on Thursday, and the January private sector credit on Friday. RBA Governor Michele Bullock will appear publicly on Wednesday. It will be a quiet week offshore, at least data-wise, with the Conference Board US consumer confidence for February on Tuesday and the US PPI for January on Friday being the key releases.

Economic Data Review

- **US:** PCE Price Index (MoM, Jan) – Actual 0.4%, Expected 0.3%, Previous 0.2%.
- **US:** GDP (QoQ annualised, Q4, prelim.) – Actual 1.4%, Expected 3.0%, Previous 4.4%.
- **US:** S&P Global Composite PMI (Jan) – Actual 52.3, Expected 53.0, Previous 53.0.

Economic Data Preview

No market-moving data.