

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6423	0.3%	WTI Crude Oil	89.78	\$0.17
90-day Bill	4.14	-1	AUD/JPY	95.59	1.1%	Brent Crude Oil	93.29	\$0.01
3-year Bond	4.05	1	AUD/EUR	0.6062	0.8%	Mogas95*	99.74	-\$2.20
10-year Bond	4.41	7	AUD/GBP	0.5258	0.8%	CRB Index	284.94	-0.99
			AUD/NZD	1.0766	-0.4%	Gold	1916.52	-\$5.26
			AUD/CNY	4.6947	0.1%	Silver	23.13	-\$0.31
US			EUR/USD	1.0595	-0.6%	Iron Ore (62% Fe)**	115.30	-\$2.70
2-year	5.12	-1	USD/JPY	148.82	0.8%	Iron Ore (23-24 Average)	111.16	\$0.22
10-year	4.53	4	USD/CNY	7.3120	0.1%	Copper	8145.50	-\$48.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7077	105
			Interbank O/N Cash Rate	4.07		Dow Jones	34007	-64
			Probability of a 25bps Hike in Oct	6.6%		S&P500	4337	7
Other 10-year			RBA Bond Holdings (31 Aug)	A\$337.0b		Stoxx600	450	-4
Japan	0.74	-2				CSI300	3715	42
Germany	2.80	6						
UK	4.32	2						

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

**Iron ore is the second SGX futures contract.

The sell-off in government bonds continued over the long weekend, as Moody's warned that the looming US government shutdown might harm its debt rating. The US dollar index rose to the highest level since late November 2022. US stocks ticked up on Monday, which followed slight declines on Friday.

Speaking last night, Chicago Fed President Austan Goolsbee said that inflation remained the 'bigger risk' and needs to be brought down to the Fed's goal of 2%. However, he also assessed that the debate may soon shift towards for how long interest rates need to be kept at the current heightened levels. Currently, fed funds futures price in no cuts until mid-2024.

Data-wise, according to the flash September data, the US S&P Global composite PMI unexpectedly slipped to 50.1, signalling stagnation. This was the worst performance of the US private sector since February. Selling price inflation was largely unchanged from August.

Elsewhere, the pace of contraction unexpectedly slowed in the euro area, but accelerated in the UK. In Japan, the Jibun Bank composite PMI pointed to ongoing expansion as well as weaker cost and price inflation.

The Bank of Japan kept its ultra-expansionary monetary policy setting unchanged on Friday, including the negative interest rate policy and the yield curve control policy. The Bank of Japan also stressed that they would pay 'due attention' to developments in the forex market and its impacts on Japanese economic activity and prices.

In Australia, ANZ Roy Morgan consumer confidence dropped by 3.4% last week, as inflation expectations surged 0.5ppts to 5.4% amid higher petrol prices.

In the local markets, the ASX 200 rose by 0.1% both on Friday and Monday despite a decline in iron ore prices weighing on the materials sector. The Aussie stock market opened 0.5% lower this morning. Commonwealth bond yields followed their global equivalents higher, while the AUD appreciated against all the major currencies.

It will be a busy week at home, with the monthly CPI indicator for August due tomorrow, August retail sales report and Q3 job vacancies on Thursday as well as August private sector credit data on Friday. The highlights offshore include US durable goods orders and the report on US personal income and its disposition, which will contain PCE inflation targeted by the Fed. Both releases are for August.

ECONOMIC DATA REVIEW

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 23 Sep) – Actual -3.4%, Previous 2.9%.
- **JP:** Jibun Bank Composite PMI (Sep, flash) – Actual 51.8, Previous 52.6.
- **EZ:** HCOB Composite PMI (Sep, flash) – Actual 47.1, Expected 46.5, Previous 46.7.
- **UK:** S&P Global Composite PMI (Sep, flash) – Actual 46.8, Expected 48.7, Previous 48.6.
- **US:** S&P Global Composite PMI (Sep, flash) – Actual 50.1, Expected 50.4, Previous 50.2.

ECONOMIC DATA PREVIEW

- **US:** Case-Shiller House Price Index 20 Cities (YoY, Jul) – Previous -1.2%.
- **US:** Conference Board Consumer Confidence (Sep) – Expected 105.9, Previous 106.1.

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