

| Interest Rates       |              |             | FX                                |           |       | Commodities US\$         |         |         |
|----------------------|--------------|-------------|-----------------------------------|-----------|-------|--------------------------|---------|---------|
| <b>Australia</b>     |              | <b>Δ bp</b> | AUD/USD                           | 0.6424    | -0.2% | WTI Crude Oil            | 63.53   | \$0.68  |
|                      | 90-day Bill  | 3.56        | AUD/JPY                           | 95.32     | 0.5%  | Brent Crude Oil          | 67.63   | \$0.66  |
|                      | 3-year Bond  | 3.41        | AUD/EUR                           | 0.5531    | 0.1%  | Mogas95*                 | 80.38   | \$1.05  |
|                      | 10-year Bond | 4.31        | AUD/GBP                           | 0.4787    | 0.1%  | CRB Index                | 298.42  | 2.41    |
| <b>US</b>            |              |             | AUD/NZD                           | 1.1044    | 0.0%  | Gold                     | 3338.33 | -\$5.22 |
|                      | 2-year       | 3.78        | AUD/CNY                           | 4.6135    | 0.0%  | Silver                   | 38.11   | \$0.23  |
|                      | 10-year      | 4.32        | EUR/USD                           | 1.1614    | -0.3% | Iron Ore (62% Fe)**      | 101.45  | -\$0.35 |
|                      |              |             | USD/JPY                           | 148.38    | 0.6%  | Iron Ore (25-26 Average) | 100.58  | \$0.01  |
| <b>Other 10-year</b> |              |             | USD/CNY                           | 7.1805    | 0.1%  | Copper                   | 9724.50 | \$4.00  |
|                      |              |             | <b>RBA Policy</b>                 |           |       | <b>Equities</b>          |         |         |
|                      |              |             | O/N Cash Rate Target              | 3.60      |       | ASX200                   | 9000    | 34      |
|                      |              |             | Interbank O/N Cash Rate           | 3.59      |       | Dow Jones                | 44786   | -153    |
| Japan                | 1.61         | 1           | Probability of a 25bps Cut in Sep | 30.0%     |       | S&P500                   | 6370    | -26     |
| Germany              | 2.76         | 4           | RBA Bond Holdings (31 Jul)        | A\$272.1b |       | Stoxx600                 | 559     | 0       |
| UK                   | 4.73         | 6           |                                   |           |       | CSI300                   | 4288    | 17      |

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

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

The losses on Wall Street continued on Thursday night, as the generally positive US S&P Global PMI report increased anxiety ahead of Fed Chair Jerome Powell's speech in Jackson Hole, scheduled for tonight. US Treasury yields picked up, while the US dollar appreciated, as the probability of a 25bps fed funds rate cut in September declined to around 75% from above 80% on Wednesday night.

Results in Europe and the Asia-Pacific region were again mixed. The Australian share market was among the bourses that registered gains yesterday, with the ASX 200 surging by 1.1% to a fresh record high, before following Wall Street lower this morning. The Australian dollar appreciated against all the major currencies except for the stronger greenback, while Commonwealth bond yields rose across the yield curve.

Chicago Fed President Austan Goolsbee assessed that US services price inflation is 'shooting up', labelling it a 'dangerous data point', which he hopes is just a 'blip'. He said that the September FOMC meeting is 'definitely live'.

Data-wise, the US S&P Global composite PMI unexpectedly rose by 0.3pts to 55.4 in August (above 50 = expansion), indicating the fastest pace of growth in the private sector since December. Expansion was recorded in both manufacturing (+3.5pts to 53.3) and services (-0.3pts to 55.4). The details of the report pointed to the strongest rise in employment since January, the fastest rise in costs since May and the highest selling price inflation since August 2022.

US initial jobless claims rose to the still-moderate 235k last week, but continued claims picked up to 1,972k in week ending 9 August, reaching the highest level since November 2021. That said, the weekly figures can be volatile and subject to revisions.

Across the Atlantic, the S&P Global PMIs pointed to faster expansion in the euro area and UK in August, but contraction in UK manufacturing accelerated.

In Japan, the S&P Global composite PMI pointed to the fastest expansion in six months in August, with contraction in manufacturing now only marginal. Annual inflation declined by 0.2ppts to 3.1% in July, with the so-called 'core-core' inflation remained at 3.1% and 3.4% in July, respectively.

At home, Melbourne Institute consumer inflation expectations declined to 3.9% in August, which is one of the lowest levels in the current disinflation phase. This is also well below the series average of 4.4% (since 1995).

## Economic Data Review

- **AU:** Melbourne Institute Consumer Inflation Expectations (Aug) – Actual 3.9%, Previous 4.7%.
- **JP:** S&P Global Bank Composite PMI (Aug, flash) – Actual 51.9, Previous 51.6.
- **JP:** CPI (YoY, Jul) – Actual 3.1%, Expected 3.1%, Previous 3.3%.
- **EZ:** HCOB Composite PMI (Aug, flash) – Actual 51.1, Expected 50.6, Previous 50.9.
- **UK:** S&P Global Composite PMI (Aug, flash) – Actual 53.0, Expected 51.6, Previous 51.5.
- **US:** Initial Jobless Claims (w/e 16 Aug) – Actual 235k, Expected 225k, Previous 224k.
- **US:** S&P Global Composite PMI (Aug, flash) – Actual 55.4, Expected 53.5, Previous 55.1.

## Economic Data Preview

- **US:** Jackson Hole Symposium.