

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6436	-0.2%	WTI Crude Oil	90.92	\$0.18
90-day Bill	4.12	-1	AUD/JPY	95.13	0.1%	Brent Crude Oil	93.98	-\$0.18
3-year Bond	3.86	4	AUD/EUR	0.6032	-0.4%	Mogas95*	109.16	\$4.24
10-year Bond	4.18	8	AUD/GBP	0.5192	-0.1%	CRB Index	289.61	-0.68
			AUD/NZD	1.0898	0.0%	Gold	1924.11	\$12.79
			AUD/CNY	4.6809	-0.1%	Silver	23.05	\$0.38
US			EUR/USD	1.0671	0.3%	Iron Ore (62% Fe)**	120.85	-\$0.65
2-year	5.03	3	USD/JPY	147.79	0.3%	Iron Ore (23-24 Average)	110.34	-\$0.61
10-year	4.33	6	USD/CNY	7.2758	0.0%	Copper	8405.50	-\$12.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7248	-51
			Interbank O/N Cash Rate	4.07		Dow Jones	34618	-289
			Probability of a 25bps Hike in Oct	6.6%		S&P500	4450	-55
Other 10-year			RBA Bond Holdings (31 Aug)	A\$337.0b		Stoxx600	462	1
Japan	0.72	0				CSI300	3709	-25
Germany	2.68	8						
UK	4.36	8						

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

**Iron ore is the second SGX futures contract.

US stocks wiped off the gains from earlier in the week on Friday, dragged down by concerns that ongoing strong economic conditions in the US may prompt the Fed to continue monetary tightening. This followed gains in Europe and Asia-Pacific, supported by the upside surprise to Chinese economic activity data for August.

Concerns that the Fed may not be done for this tightening cycle drove US Treasury yields higher. European bond yields saw even stronger increases amid speculation that there is a split within the ECB Governing Board over whether [the ECB has concluded its tightening cycle](#).

Mixed US economic data added to uncertainty over the outlook for Fed monetary policy.

US industrial production rose by 0.4% in August, though from a downwardly revised level for July, with growth in manufacturing slowing to just 0.1% from 0.4% registered in the previous month. The New York Fed Empire state manufacturing index unexpectedly pointed to expansion in activity in September. The US import price index rose a faster than expected 0.5% in August, driven by higher petroleum prices.

This was partly offset by a bigger than expected fall in the University of Michigan consumer confidence index in September and significant fall in consumer inflation expectations, with one-year expectations down 0.4ppts to 3.1% and 5- to 10-year expectations easing 0.3ppts to 2.7%, the lowest since September 2022.

Chinese economic activity data for August were generally stronger than expected. Retail sales rose by 4.6% YoY, which is the fastest growth in three months. Industrial production growth accelerated to 4.5% YoY, with steel output increasing by 3.0% YoY. Urban fixed asset investment growth slowed to 3.2% YoY YtD, the least since late 2020.

The weakness in the Chinese investment data was reflected in a slight decline in iron ore futures. Oil prices were mixed, with WTI prices rising further and Brent futures seeing a slight decline.

In the local markets, Commonwealth bond yields picked up in concert with their global equivalents. The ASX 200 surged 1.3%, supported by the upside surprises to the Chinese economic data but has opened lower this morning. The Australian dollar depreciated against the stronger greenback and the euro.

Central banks will be in focus [this week](#), with the Fed decision due to Wednesday, Bank of England decision on Thursday and Bank of Japan decision on Friday. The flash PMI data for September are due on Friday for Australia and the major advanced economies, while the RBA Board minutes will be released tomorrow.

ECONOMIC DATA REVIEW

- **CH:** Retail Sales (YoY, Aug) – Actual 4.6%, Expected 3.0%, Previous 2.5%.
- **CH:** Industrial Production (YoY, Aug) – Actual 4.5%, Expected 3.9%, Previous 3.7%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Aug) – Actual 3.2%, Expected 3.3%, Previous 3.4%.
- **US:** Industrial Production (MoM, Aug) – Actual 0.4%, Expected 0.1%, Previous 0.7% (revised).
- **US:** University of Michigan Consumer Confidence (Sep, prelim.) – Actual 67.7, Expected 69.0, Previous 69.5.

ECONOMIC DATA PREVIEW

No market-moving data.

Disclaimer

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