

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6415	-1.0%	WTI Crude Oil	78.89	\$0.25
90-day Bill	4.14	0	AUD/JPY	93.64	-0.2%	Brent Crude Oil	83.36	\$0.35
3-year Bond	3.84	4	AUD/EUR	0.5940	-0.4%	Mogas95*	99.92	\$0.15
10-year Bond	4.14	3	AUD/GBP	0.5095	0.0%	CRB Index	275.83	0.85
			AUD/NZD	1.0833	-0.2%	Gold	1916.40	-\$2.18
			AUD/CNY	4.6756	-0.7%	Silver	24.13	-\$0.20
US			EUR/USD	1.0799	-0.7%	Iron Ore (62% Fe)**	112.25	-\$1.70
2-year	5.02	5	USD/JPY	145.98	0.9%	Iron Ore (23-24 Average)	107.86	\$0.06
10-year	4.24	5	USD/CNY	7.2799	0.0%	Copper	8359.50	-\$92.50
			RBA Policy			Equities		
			O/N Cash Rate Target		4.10	ASX200	7182	0
			Interbank O/N Cash Rate		4.07	Dow Jones	34099	-374
Other 10-year			Probability of a 25bps Hike in Sep		2.4%	S&P500	4376	-60
Japan	0.66	-1	RBA Bond Holdings (31 Jul)		A\$337.0b	Stoxx600	452	-2
Germany	2.51	0				CSI300	3723	27
UK	4.43	-4						

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

**Iron ore is the second SGX futures contract.

US stocks fell last night, while US Treasury yields picked up, as investors await the speech by Fed Chair Jerome Powell scheduled for tonight. The Dow Jones lost 1.1%, while the S&P 500 retreated 1.3% and the Nasdaq dropped 2.2%. The declines were broad-based and led by the tech sector, despite the robust Nvidia earnings results released yesterday morning.

Economic data released last night was quite mixed.

US durable goods orders plunged 5.2% in July, way more than the 4.0% pencilled in by the market consensus. However, the drop was driven by the volatile aircraft orders. Non-defence capital goods orders excluding aircraft saw a 0.1% uptick, with the June change revised down to -0.4% from 0.1%.

US initial jobless claims declined to 230k last week, from 240k in the week ending 12 August. Continued claims fell to 1,702k in the week ending 12 August, from 1,711k (revised from 1,716k). The preliminary estimate for the annual benchmark revision to the establishment employment data, saw the US Bureau of Labor Statistics downgrade their March 2023 estimate for non-farm payrolls by 306k (0.2%). Each year the employment estimates are benchmarked to comprehensive counts of employment in March. The final revision will be issued in February 2024.

Fedspeak overnight was inconclusive. While Philadelphia Fed President Patrick Harker hinted that monetary policy tightening might have concluded in the US, his colleague Boston Fed President Susan Collins said that more fed funds rate hikes could be needed. Both said policy will have to remain restrictive for some time.

Fed Chair Powell is to speak on economic outlook at the Jackson Hole symposium tonight and there is some speculation he may provide additional insights into FOMC monetary policy outlook. The lead topic of the symposium itself is "Structural shifts in the global economy".

In commodity markets, iron ore futures declined by 1.5%, which followed five days of strong gains, as Chinese steel stockpiles rose to the highest levels since May. Oil prices rose by 0.3-0.4% after declining for three straight days.

In the domestic markets, Commonwealth bonds rose slightly less than their US equivalents. The ASX 200 closed 0.5% higher yesterday, supported mainly by a 4.2% surge in tech shares amid the robust results of Nvidia after the US market close. The Australian dollar depreciated against all the major currencies, except for the British pound.

ECONOMIC DATA REVIEW

- **US:** Durable Goods Orders (MoM, Jul) – Actual -5.2%, Expected -4.0%, Previous 4.4% (revised).
- **US:** Initial Jobless Claims (w/e 19 Aug) – Actual 230k, Expected 240k, Previous 240k (revised).

ECONOMIC DATA PREVIEW

No market-moving data.

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