

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.6921	0.0%	WTI Crude Oil	112.75	\$14.56
90-day Bill	4.32	2	AUD/JPY	110.55	0.6%	Brent Crude Oil	109.77	\$10.04
3-year Bond	4.67	4	AUD/EUR	0.5997	0.4%	Mogas95*	132.48	\$10.30
10-year Bond	4.98	2	AUD/GBP	0.5229	0.5%	CRB Index	382.46	11.34
			AUD/NZD	1.2120	0.7%	Gold	4660.02	-\$133.23
			AUD/CNY	4.7633	0.2%	Silver	73.06	-\$2.67
US			EUR/USD	1.1541	-0.4%	Iron Ore (61% Fe)**	106.50	\$1.55
2-year	3.85	5	USD/JPY	159.73	0.6%	Iron Ore (25-26 Average)	103.34	\$0.05
10-year	4.33	1	USD/CNY	6.8818	0.1%	Copper	12359.50	-\$75.00
			RBA Policy			Equities		
Other 10-year			O/N Cash Rate Target	4.10		ASX200	8760	46
Japan	2.43	11	Interbank O/N Cash Rate	4.10		Dow Jones	46670	104
Germany	2.99	1	Probability of a 25bps Hike in May	69.2%		S&P500	6612	37
UK	4.83	0	RBA Bond Holdings (31 Mar)	A\$250.0b		Stox600	597	-1
						CSI300	4441	-85

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

**Iron ore is the second SGX futures contract.

The S&P 500 started the trading week on the front foot, which followed a largely flat result on Thursday, with investors still uncertain about the future course of the war in Iran. Government bond yields picked up over the long weekend, with the bounce in oil prices and US labour market data coming out on the strong side.

US President Donald Trump has extended the deadline for the re-opening of the Strait of Hormuz until tomorrow morning, 8am AWST, warning of potential attacks on energy and transport infrastructure. Attacks across the Middle East continued over the long weekend. Some press reports said that the US was pushing for a 45-day ceasefire, an offer that was rejected by Iran.

Meanwhile, Iranian officials have allowed some more vessels to cross the Strait, but this is negligible compared to the pre-war period, even when accounting for vessels moving undetected, with maritime transceivers turned off. It is estimated that around 2,000 ships are still stuck in the Persian Gulf, including just over 100 oil tankers.

The Australian dollar managed to appreciate against all the major currencies, except for the stronger greenback. Commonwealth bond yields picked up along with their global equivalents. The ASX 200 dropped by 1.1% on Thursday, before opening sharply higher this morning, most likely on hopes for yet another extension of the deadline for re-opening of the Strait of Hormuz tomorrow.

From the data released over the long weekend, US non-farm payrolls bounced by 178k in March, though the February drop turned out to be stronger than first estimated (-133k instead of -92k). The rebound in employment in March was quite broad-based, but the strongest contribution came again from education and health services. The unemployment rate unexpectedly ebbed by 0.1ppts to 4.3%.

The US ISM services PMI declined by 2.1ppts to 54.0 (above 50 = expansion), with the details of the report being quite mixed. While new orders growth was the fastest in over three years, employment dipped into contraction, while prices paid rose by the most since October 2022. The final March S&P Global services PMI for the US, at 49.8, pointed to slight contraction instead of the expansion suggested by the flash report (51.1).

Across the Pacific, the RatingDog PMI pointed to a weaker-than-expected expansion in the Chinese services sector, though it was still way stronger than envisaged by the official PMI.

The major domestic data releases [this week](#) will come later today, and will include February household spending, the March Melbourne Institute inflation gauge and March ANZ job ads. Apart from the news from the Middle East, the key events offshore will be the FOMC minutes tomorrow, as well as the US inflation figures on Thursday and Friday.

Economic Data Review

- **CH:** RatingDog Services PMI (Mar) – Actual 52.1, Expected 53.6, Previous 56.7.
- **US:** Non-farm Payrolls (monthly change, Mar) – Actual 178k, Expected 65k, Previous -133k (revised).
- **US:** Unemployment Rate (Mar) – Actual 4.3%, Expected 4.4%, Previous 4.4%.
- **US:** ISM Services PMI (Mar) – Actual 54.0, Expected 54.9, Previous 56.1.

Economic Data Preview

- **AU:** Household Spending (MoM, Feb) – Expected 0.2%, Previous 0.3%.
- **AU:** Melbourne Institute Inflation Gauge (MoM, Mar) – Previous -0.2%.