

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6559	-0.2%	WTI Crude Oil	81.09	\$0.11
90-day Bill	4.35	1	AUD/JPY	97.78	0.2%	Brent Crude Oil	85.37	\$0.32
3-year Bond	3.77	1	AUD/EUR	0.6025	-0.2%	Mogas95*	102.95	\$1.11
10-year Bond	4.15	1	AUD/GBP	0.5152	-0.1%	CRB Index	284.62	1.68
			AUD/NZD	1.0778	0.3%	Gold	2155.99	-\$5.42
			AUD/CNY	4.7234	-0.3%	Silver	25.15	\$0.31
US			EUR/USD	1.0887	0.1%	Iron Ore (62% Fe)**	99.65	-\$2.10
2-year	4.73	3	USD/JPY	149.07	0.4%	Iron Ore (23-24 Average)	120.69	-\$0.12
10-year	4.30	1	USD/CNY	7.1970	0.0%	Copper	9072.00	\$184.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7658	64
			Interbank O/N Cash Rate	4.32		Dow Jones	38715	-191
			Probability of a 25bps Cut in Mar	2.1%		S&P500	5117	-33
			RBA Bond Holdings (29 Feb)	A\$335.5b		Stoxx600	505	-2
						CSI300	3570	8
Other 10-year								
Japan	0.79	-1						
Germany	2.44	2						
UK	4.10	1						

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

**Iron ore is the second SGX futures contract.

Friday was another bad day for equities, with the US benchmark, the S&P 500, falling for the third day in a row. Shares were also mainly lower in Europe and the Asia-Pacific. The Aussie market also closed in the red but recovered some of Friday's morning's heavy losses.

Bond yields continued to climb, led by US Treasuries, ahead of a big week for central banks with decisions from the RBA, Federal Reserve, Bank of Japan, and the Bank of England. While none are expected to make any changes to policy interest rates, traders will focus on the language in the accompanying statements for hints of future policy moves. The Bank of Japan is the only major central bank seen as any chance of changing policy this week, with six out of 40 respondents to the Bloomberg survey forecasting that it will exit its negative interest rate policy.

The Aussie dollar slipped against most of the major currencies, except for the Japanese yen, dragged down by weaker market sentiment and the slide in iron ore prices.

Iron ore futures prices dropped below US\$100 as concerns over Chinese steel demand persist amid the ongoing property crisis. Inventories at Chinese ports climbed to a 12-month high last week. Copper prices jumped to the highest level in a year on concerns over tighter supply. Brent crude oil prices continue to trade around the highest levels since early November 2023.

US industrial production rose 0.1% in February (exp. 0.0%). The small upside surprise was well and truly offset by a downward revision to January to -0.5% from -0.1%. The increase was led by a stronger-than-expected 0.8% rise in manufacturing output after a 1.1% fall in January and a rebound in mining production. Output from utilities slumped 7.5%.

The preliminary estimate of the University of Michigan US consumer sentiment index for March slipped to a three-month low with inflation expectations steady. While off lows of the past two years, sentiment remains subdued.

It is a big week for central banks and economic data, starting today with the release of the Chinese monthly activity indicators for February. The RBA and Bank of Japan will announce their interest rate decisions tomorrow, Wednesday will see the release of the UK CPI for February and the FOMC policy decision. The Aussie employment report for February is due on Thursday as are the flash S&P PMI reports for February and the Bank of England interest rate decision. The week rounds out with the Japanese CPI for February on Friday.

ECONOMIC DATA REVIEW

- **US:** Industrial Production (MoM, Feb) – Actual 0.1%, Expected 0.0%, Previous -0.5% (revised).
- **US:** University of Michigan Consumer Confidence (Mar, prelim.) – Actual 76.5, Expected 77.1, Previous 76.9.

ECONOMIC DATA PREVIEW

- **CH:** Industrial Production (YoY, YtD, Feb) – Expected 4.4%, Previous 6.8%.
- **CH:** Retail Sales (YoY YtD, Feb) – Expected 5.5%, Previous 7.4%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Feb) – Expected 3.2%, Previous 3.0%.

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