

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.6995	-0.2%	WTI Crude Oil	90.09	-\$8.12
90-day Bill	4.28	-3	AUD/JPY	110.95	-0.6%	Brent Crude Oil	100.91	-\$11.20
3-year Bond	4.70	-15	AUD/EUR	0.6032	-0.5%	Mogas95*	128.95	-\$3.73
10-year Bond	5.03	-11	AUD/GBP	0.5215	-0.8%	CRB Index	350.74	-16.38
			AUD/NZD	1.1969	-0.4%	Gold	4407.29	-\$78.10
			AUD/CNY	4.8373	0.0%	Silver	68.75	\$0.47
US			EUR/USD	1.1596	0.3%	Iron Ore (61% Fe)**	107.55	-\$0.35
2-year	3.87	-3	USD/JPY	158.61	-0.4%	Iron Ore (25-26 Average)	103.17	\$0.02
10-year	4.35	-3	USD/CNY	6.8838	-0.3%	Copper	12167.00	\$237.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8431	156
			Interbank O/N Cash Rate	4.10		Dow Jones	46208	631
Other 10-year			Probability of a 25bps Hike in May	64.4%		S&P500	6581	75
Japan	2.29	2	RBA Bond Holdings (27 Feb)	A\$250.0b		Stoxx600	577	4
Germany	3.01	-4				CSI300	4418	-149
UK	4.92	-7						

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

**Iron ore is the second SGX futures contract.

Wall Street bounced back overnight, while oil prices fell sharply and US government bond yields edged lower, amid hopes for a de-escalation of the conflict in the Middle East.

This came after President Donald Trump said in a social media post that he has postponed strikes on Iranian energy facilities by another five days, since the US and Iran are engaged in 'very good and productive conversations' about a 'complete and total resolution' to the conflict. Investors largely ignored the Iranian denials of the talks and further attacks in the Middle East overnight.

The S&P 500 rose by 1.1%, the most in over two weeks, with gains in all industries led by consumer discretionary. This followed gains in continental Europe, slight declines in the UK, and strong declines in most of the Asia-Pacific region, which preceded President Trump's social media post.

The ASX 200 lost another 0.7% yesterday, with losses trimmed slightly during the session. The results were again mixed across sectors, with the strongest declines in materials and the largest gains in utilities and energy. However, the Aussie share market opened sharply higher this morning.

Commonwealth bond yields fell more than their US equivalents as cash rate hike expectations were scaled back a little, with two more rate cuts fully priced in, compared with three yesterday morning. The Australian dollar depreciated against all the major currencies.

Brent futures are trading back below US\$100 a barrel, following a 10% drop overnight. WTI futures fell by 8.3%, while Singapore's Mogas95, which is a benchmark price closely linked to Australian petrol prices, declined by 2.8%. Gas prices, approximated by Dutch TTF, retreated by around 4% but remained near three-year highs.

Data-wise, the annual rate of Japanese inflation declined by 0.2ppts to 1.3% in February, while so-called 'core-core' inflation, which excludes fresh food and energy, ebbed by 0.1ppts to 2.5%. The report precedes the recent disruptions in the energy market.

At home, the S&P Global composite PMI plunged by 5.4ppts to 47.0 in March (the lowest since late 2023; below 50 = contraction), dragged down by a fall in services (-6.2ppts to 46.6), while manufacturing activity was near stagnant (-0.9ppts to 50.1). The deterioration in services reflected a steep rise in cost pressures, resulting in input and selling prices increasing the most since 2023, which also affected a rise in new orders.

From other domestic data, the ANZ Roy Morgan consumer confidence dropped to 63.1 last week, the lowest level since the survey began in 1973. Consumer inflation expectations rose by another 0.2ppts to a series high of 6.9%.

Economic Data Review

- **AU:** S&P Global Composite PMI (Mar, flash) – Actual 47.0, Previous 52.4.
- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 21 Mar) – Actual 63.1, Previous 68.5.
- **JP:** CPI (YoY, Feb) – Actual 1.3%, Expected 1.5%, Previous 1.5%.

Economic Data Preview

- **JP:** S&P Global Composite PMI (Mar, flash) – Previous 53.9.
- **EZ:** S&P Global Composite PMI (Mar, flash) – Expected 51.0, Previous 51.9.
- **US:** S&P Global Composite PMI (Mar, flash) – Previous 51.9.