

Interest Rates			FX			Commodities		
<b>Australia</b>		$\Delta$ bp	AUD/USD	0.7059	2.0%	WTI Crude Oil	96.81	-\$15.94
90-day Bill	4.32	0	AUD/JPY	111.96	1.3%	Brent Crude Oil	94.06	-\$15.71
3-year Bond	4.57	-10	AUD/EUR	0.6048	0.9%	Mogas95*	119.71	-\$12.78
10-year Bond	4.90	-8	AUD/GBP	0.5272	0.8%	CRB Index	381.38	-1.08
			AUD/NZD	1.2178	0.5%	Gold	4819.78	\$159.76
			AUD/CNY	4.7677	0.1%	Silver	76.19	\$3.13
<b>US</b>			EUR/USD	1.1676	1.2%	Iron Ore (61% Fe)**	105.90	-\$0.60
2-year	3.74	-11	USD/JPY	158.60	-0.7%	Iron Ore (25-26 Average)	103.36	\$0.02
10-year	4.27	-7	USD/CNY	6.8629	-0.3%	Copper	12313.00	-\$46.50
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.10		ASX200	8958	199
Japan	2.37	-7	Interbank O/N Cash Rate	4.10		Dow Jones	46584	-85
Germany	3.08	9	Probability of a 25bps Hike in May	62.0%		S&P500	6617	5
UK	4.90	7	RBA Bond Holdings (31 Mar)	A\$250.0b		Stox600	591	-6
						CSI300	4441	0

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

\*\*Iron ore is the second SGX futures contract.

Wall Street saw further slight gains last night, as investors bet that US President Donald Trump would not act on his threats to escalate attacks on Iran. These bets turned out to be right after the US market closed, when President Trump announced that he would suspend attacks on Iran for two weeks, subject to the reopening of the Strait of Hormuz. The Iranian side has agreed to the ceasefire, and Israel is reportedly also part of the agreement.

WTI and Brent futures dropped below US\$100 a barrel after the ceasefire news broke. The ASX 200 surged at the open this morning, after bouncing by 1.7% yesterday. The Australian dollar appreciated sharply against all the major currencies, while Commonwealth bond yields dropped by around 10bps across the yield curve.

From Fedspeak overnight, Fed Vice Chair Philip Jefferson warned that inflation could rise in the near term as a result of the war in Iran but added that the current level of interest rates is adequate to bring inflation back down. New York Fed President John Williams judged underlying inflation should remain steady in the US, though his Chicago Fed counterpart, Austan Goolsbee, voiced concerns about possible stagflation in the US economy.

Meanwhile, New York Fed consumer inflation expectations rose to 3.4% for the one-year horizon, but were little changed at 3.1% and 3.0% for the three- and five-year horizons respectively, meaning that US consumers judge the impacts of the war on inflation to be temporary. From more dated US releases, durable goods orders, declined by 1.4% in February, but non-defence capital goods orders excluding the volatile aircraft component picked up by 0.6%.

At home, [household spending](#) rose by 0.3% in February, the same as in the previous month and slightly stronger than the 0.2% pencilled in by the market consensus. The rise was quite broad-based, but driven by discretionary spending, suggesting that consumers were moderately optimistic ahead of the escalation of the conflict in the Middle East.

The Melbourne Institute inflation gauge suggested that a spike in domestic fuel prices drove consumer prices 1.3% higher in March, with the annual rate of growth rising to 4.3% YoY from 3.6% YoY in February. The Melbourne Institute inflation gauge is modelled on the official CPI basket, but the sample size is much smaller. It is not targeted by the RBA.

ANZ Indeed job ads saw a broad-based fall of 3.1% in March, which wiped out the gain in the previous month. However, it is too early to tell if the March decline in job ads was due to elevated uncertainty from the conflict in the Middle East.

The fuel excise cut last week saw the ANZ Roy Morgan consumer confidence bounce by 6.0% from a record low, with inflation expectations ebbing by 0.1ppts to the still elevated 7.2%.

### Economic Data Review

- **AU:** Household Spending (MoM, Feb) – Actual 0.3%, Expected 0.2%, Previous 0.3%.
- **AU:** Melbourne Institute Inflation Gauge (MoM, Mar) – Actual 1.3%, Previous -0.2%.
- **AU:** ANZ Indeed Job Ads (MoM, Mar) – Actual -3.1%, Previous 3.2%.
- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 4 Apr) – Actual 62.3, Previous 58.8.
- **US:** New York Fed One-year Inflation Expectations (Mar) – Actual 3.4%, Expected 3.5%, Previous 3.0%.
- **US:** Durable Goods Orders (MoM, Feb) – Actual -1.4%, Expected -1.2%, Previous -0.5% (revised).

### Economic Data Preview

- **NZ:** RBNZ Decision (Official Cash Rate) – Expected 2.25%, Previous 2.25%.
- **US:** FOMC Minutes.