

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6459	-0.4%	WTI Crude Oil	85.79	\$2.25
90-day Bill	4.13	-1	AUD/JPY	94.35	0.0%	Brent Crude Oil	88.70	\$1.87
3-year Bond	3.74	2	AUD/EUR	0.5994	0.2%	Mogas95*	97.98	-\$4.29
10-year Bond	4.04	5	AUD/GBP	0.5128	0.2%	CRB Index	284.36	2.45
			AUD/NZD	1.0865	0.0%	Gold	1941.10	\$1.33
			AUD/CNY	4.6909	-0.2%	Silver	24.17	-\$0.25
US			EUR/USD	1.0775	-0.6%	Iron Ore (62% Fe)**	115.90	\$2.70
2-year	4.88	1	USD/JPY	146.08	0.4%	Iron Ore (23-24 Average)	108.72	\$0.18
10-year	4.18	7	USD/CNY	7.2663	0.1%	Copper	8500.50	\$78.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7340	35
			Interbank O/N Cash Rate	4.07		Dow Jones	34838	116
			Probability of a 25bps Hike in Sep	0.0%		S&P500	4516	8
			RBA Bond Holdings (31 Jul)	A\$337.0b		Stoxx600	458	0
						CSI300	3791	26
Other 10-year								
Japan	0.65	-1						
Germany	2.55	8						
UK	4.43	7						

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

**Iron ore is the second SGX futures contract.

Relatively benign economic data saw US equities close Friday's session marginally higher ahead of the Labor Day holiday today. US Treasury yields rose, and the US dollar strengthened. Aussie bond yields have risen with yields elsewhere and the Aussie slipped against the stronger greenback.

US nonfarm payrolls rose 187k in August (exp 170k) following a 157k increase in July. The payrolls numbers for the previous two months were revised down a combined 110k. Monthly average hourly earnings growth was 0.2%, with annual growth declining 0.1ppt to 4.3%, the slowest since mid-2021. The unemployment rate, which is calculated from a separate household survey, rose 0.3ppts to an 18-month high of 3.8%, driven by a big increase in the number of people actively looking for work that pushed the participation rate to 62.8%, the highest since February 2020. The report was consistent with other data suggesting a gentle easing in labour market conditions.

The other major US economic news on Friday was the ISM manufacturing report. The manufacturing PMI edged up 1.2ppts to 47.6 in August, implying a slower rate of contraction (below 50 = contraction). New orders (46.8), employment (48.5) and input prices (48.4) also continued to fall, though employment and costs fell at a slower rate. The production index rose 1.7pts to 50.0, suggesting stabilisation after two months of contraction.

In China, the Caixin increased 1.8pts to 51.0 suggesting Chinese manufacturing activity rose back into expansion in August after contracting in July. This was the highest the index has been since February. Input prices picked up for the first time in six months, however, average selling prices fell slightly.

The value of new Aussie home loans (excluding refinancing) fell 1.2% in July to be down 14.1% from a year earlier. Owner-occupier loans fell 1.9% in the month following a 3.1% fall in June. New investor loans edged down 0.1%. The number of construction loans slumped 12.4% after a 6.4% rise in June, to hit a fresh record low (since 2002).

A busy week coming up in Australia. The RBA Board is highly likely to keep the cash rate unchanged at its meeting tomorrow and Governor Phil Lowe will give his final speech as governor on Thursday. The August ANZ job ads and Q2 business indicators reports are due today, the Q2 current account is out tomorrow, Q2 GDP report on Wednesday and international trade for August is on Thursday. Elsewhere, the major events will be the ISM services PMI and the release of the Fed's Beige Book in the US, the Caixin services PMI and international trade data in China.

ECONOMIC DATA REVIEW

- **AU:** Housing Finance (MoM, Jul) – Actual -1.2%, Expected 0.0%, Previous -1.0%.
- **CH:** Caixin Manufacturing PMI (Aug) – Actual 51.0, Expected 49.0, Previous 49.2.
- **US:** Non-farm Payrolls (monthly change, Aug) – Actual 187k, Expected 170k, Previous 157k (revised).
- **US:** Unemployment Rate (Aug) – Actual 3.8%, Expected 3.5%, Previous 3.5%.
- **US:** ISM Manufacturing PMI (Aug) – Actual 47.6, Expected 47.0, Previous 46.4.

ECONOMIC DATA PREVIEW

- **AU:** ANZ/Indeed Job Ads (MoM, Aug) – Previous 0.4%.
- **AU:** Business Indicators (Q2)

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