

Interest Rates (%)				FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6384	0.9%	WTI Crude Oil	67.49	-\$0.43	
	90-day Bill	4.11	0	AUD/JPY	95.31	1.2%	Brent Crude Oil	71.02	-\$0.30
	3-year Bond	3.78	1	AUD/EUR	0.5846	0.5%	Mogas95*	81.52	\$0.80
	10-year Bond	4.40	-1	AUD/GBP	0.4916	0.5%	CRB Index	304.65	1.98
			AUD/NZD	1.0962	-0.4%	Gold	3003.17	\$12.51	
			AUD/CNY	4.6183	0.9%	Silver	33.89	\$0.09	
US			EUR/USD	1.0919	0.4%	Iron Ore (62% Fe)**	101.45	-\$1.15	
	2-year	4.04	4	USD/JPY	149.30	0.3%	Iron Ore (24-25 Average)	102.01	-\$0.01
	10-year	4.29	-1	USD/CNY	7.2262	-0.2%	Copper	9861.50	\$81.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		4.10	ASX200	7904	64	
			Interbank O/N Cash Rate		4.09	Dow Jones	41842	353	
	Japan	1.50	-3	Probability of a 25bps Cut in Apr		8.3%	S&P500	5675	36
	Germany	2.82	-6	RBA Bond Holdings (28 Feb)		A\$297.6b	Stoxx600	551	4
	UK	4.64	-3				CSI300	3997	-10

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

**Iron ore is the second SGX futures contract.

US stocks rose again on Monday, as the recent losses attracted more dip buyers. US Treasury yields picked up at the front end of the curve, as markets continue to expect the next Fed funds rate cut in July, while the US dollar depreciated to its lowest levels for 2025.

The gains on Wall Street followed a sea of green in Europe and the Asia-Pacific region. The ASX 200 rose by 0.8% yesterday, with solid gains in most industries led by materials, energy and utilities. The improved global market sentiment helped the Australian dollar, which appreciated against all the major currencies, with the AUD/USD being the highest since 20 February. Commonwealth bond yields opened a little higher this morning before slipping back.

Data-wise, US retail sales growth missed expectations in February (+0.2% versus +0.6% expected), following a 1.2% fall in January. The downside surprise resulted from an unexpected 0.6% drop in the volatile car sales. Core retail sales, which excludes food services, petrol, cars and building materials, rose by a solid 1.0% in February after a 1.0% decline in January. The New York Fed Empire State manufacturing index dropped to a one-year low of -20 in March, with a strong decline in new orders.

Across the Pacific, the Chinese economic activity data for the first two months of 2025, was mostly stronger than expected. Retail sales rose by 4.0% YoY, against expectations of a 3.8% YoY increase. Industrial production increased 5.9% YoY, while the market consensus pencilled in only a 5.3% gain. Urban fixed asset investment, which is one of the key indicators of demand for iron ore, picked up by 4.1% YoY (mkt exp. 3.8%).

The generally encouraging Chinese activity data came after the Chinese authorities rolled out a 'special action plan' to boost consumption, with a focus on income support and childcare subsidies.

Despite the generally good news from China, iron ore futures prices slipped, but remained above US\$100 a tonne. Oil prices also declined a little overnight. The gold price climbed back above US\$3,000 an ounce.

At the same time, the OECD cut its global economic growth forecasts for 2025 and 2026 to 3.1% (-0.2ppts) and 3.0% (-0.3ppts), respectively. Australian economic growth projections were kept unchanged at 1.9% for 2025, but the 2026 growth forecast was revised significantly downwards (by -0.7ppts to 1.8%).

From local news, ANZ Roy Morgan consumer confidence dropped to a 2025 low last week, while inflation expectations rose 0.1ppts to 4.8%. Commonwealth Treasurer Jim Chalmers said yesterday morning that the impacts of the Cyclone Alfred will likely detract 0.25ppts from Q1 GDP growth and add to inflation by affecting food supply chain.

Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 15 Mar) – Actual -3.6%, Previous -1.1%.
- **CH:** Retail Sales (YoY, Jan-Feb) – Actual 4.0%, Expected 3.8%.
- **CH:** Industrial Production (YoY, Jan-Feb) – Actual 5.9%, Expected 5.3%.
- **CH:** Urban Fixed Asset Investment (YoY, Jan-Feb) – Actual 4.1%, Expected 3.2%.
- **US:** Retail Sales (MoM, Feb) – Actual 0.2%, Expected 0.6%, Previous -1.2% (revised).
- **US:** New York Fed Empire State Manufacturing (Mar) – Actual -20.0, Expected -1.9, Previous 5.7.

Economic Data Preview

- **US:** Industrial Production (MoM, Feb) – Expected 0.2%, Previous 0.5%.