

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7209	0.1%	WTI Crude Oil	102.10	-\$3.38
90-day Bill	4.37	0	AUD/JPY	113.15	0.0%	Brent Crude Oil	108.60	-\$2.76
3-year Bond	4.68	-3	AUD/EUR	0.6148	0.1%	Mogas95*	127.79	-\$3.04
10-year Bond	4.99	-4	AUD/GBP	0.5309	0.3%	CRB Index	393.40	-1.71
			AUD/NZD	1.2213	0.1%	Gold	4608.84	-\$13.88
			AUD/CNY	4.9130	0.0%	Silver	75.52	\$1.20
US			EUR/USD	1.1725	0.0%	Iron Ore (61% Fe)**	107.90	\$0.70
2-year	3.88	-1	USD/JPY	156.96	-0.1%	Iron Ore (25-26 Average)	103.58	\$0.03
10-year	4.37	-2	USD/CNY	6.8281	0.0%	Copper	12996.50	\$9.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8689	-37
			Interbank O/N Cash Rate	4.10		Dow Jones	49499	-153
Other 10-year			Probability of a 25bps Hike in May	73.9%		S&P500	7230	21
Japan	2.52	0	RBA Bond Holdings (30 Apr)	A\$230.3b		Stoxx600	612	0
Germany	3.04	0				CSI300	4807	0
UK	4.96	-5						

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

**Iron ore is the second SGX futures contract.

The S&P 500 nudged up to yet another record high on Friday, supported by strong tech earnings and fresh hopes for the end of the US-Iranian war. This came as Iranian Foreign Minister Abbas Araghchi suggested that his country is ready to re-engage in diplomatic dialogue, though sceptical comments from US President Donald Trump put a dent in sentiment later in the session.

In the latest development in the early hours of this morning, President Trump announced that the US military would begin 'escorting' ships through the Strait of Hormuz, though Iran was quick to respond that this would be treated as a violation of the ceasefire. There are already reports of one cargo ship being attacked in the Strait. Oil prices fell on Friday, but remain above US\$100 a barrel at the time of writing.

The Aussie share market opened slightly lower this morning, which followed a solid 0.7% gain on Friday. The Australian dollar appreciated against all the major currencies except for the Japanese yen. Commonwealth bond yields fell more than their US equivalents.

The slight decline in US Treasury yields came despite some hawkish comments from three of the four Fed officials who dissented at the latest FOMC meeting. Dallas Fed President Lorie Logan said that – given inflation remains above the goal and further upside risks to it from the war – the forward guidance in the recent statement should better reflect both sides of the mandate. The remaining two dissenters, Cleveland Fed President Beth Hammack and her Minneapolis counterpart, Neel Kashkari, focused on the rise in uncertainty from the Middle East conflict in explaining their dissents.

Meanwhile, the US ISM manufacturing PMI was unchanged at 52.7 in April (above 50 = expansion), with details of the report being quite mixed. On the one hand, production continued to climb, albeit at a slower pace, and new orders growth accelerated. On the other hand, contraction in employment deepened, while growth in prices paid was the strongest since March 2022.

The key domestic event [this week](#) will be the RBA Monetary Policy Board decision tomorrow, with a 25bps hike to 4.35% widely expected by market participants. The RBA will also release the quarterly Statement on Monetary Policy, along with updated macroeconomic projections.

Other domestic highlights include dwelling approvals for March and the Melbourne Institute inflation gauge for April later today, the March and Q1 household spending indicator tomorrow, living cost indices for Q1 on Wednesday, and the March trade balance on Thursday. Last but not least, the Western Australian State Budget will be released on Thursday. The highlights offshore will be US and Chinese services PMIs, as well as US labour market figures.

Economic Data Review

- **AU:** PPI (QoQ, Q1) – Actual 0.4%, Previous 0.8%.
- **US:** ISM Manufacturing PMI (Apr) – Actual 52.7, Expected 53.2, Previous 52.7.

Economic Data Preview

- **AU:** Dwelling Approvals (MoM, Mar) – Expected 4.7%, Previous 4.5%.
- **AU:** Melbourne Institute Inflation Gauge (Apr) – Previous 4.3%.
- **AU:** ANZ Job Ads (MoM, Apr) – Previous -3.1%.