

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6423	0.5%	WTI Crude Oil	87.30	\$0.55
90-day Bill	4.12	0	AUD/JPY	94.19	0.3%	Brent Crude Oil	90.59	\$0.43
3-year Bond	3.84	2	AUD/EUR	0.5979	0.2%	Mogas95*	102.38	-\$1.70
10-year Bond	4.17	3	AUD/GBP	0.5136	0.3%	CRB Index	286.34	1.86
			AUD/NZD	1.0867	0.3%	Gold	1921.70	\$2.11
			AUD/CNY	4.6851	0.1%	Silver	23.07	\$0.11
US			EUR/USD	1.0744	0.3%	Iron Ore (62% Fe)**	117.60	\$4.05
2-year	4.99	0	USD/JPY	146.65	-0.2%	Iron Ore (23-24 Average)	109.49	\$0.23
10-year	4.29	1	USD/CNY	7.2891	-0.7%	Copper	8402.00	\$159.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7171	29
			Interbank O/N Cash Rate	4.07		Dow Jones	34664	87
			Probability of a 25bps Hike in Oct	6.6%		S&P500	4487	30
Other 10-year			RBA Bond Holdings (31 Aug)	A\$337.0b		Stoxx600	456	2
Japan	0.72	2				CSI300	3768	28
Germany	2.64	3						
UK	4.47	5						

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

**Iron ore is the second SGX futures contract.

US stocks saw further increases last night, while US Treasury yields were little changed, and the US dollar depreciated somewhat, as investors await the US CPI data scheduled for Wednesday.

There were no top-tier data released overnight. According to the New York Fed survey of consumer expectations, inflation expectations were relatively stable in August. The medium-term inflation expectation declined slightly to 2.8% but picked up marginally to 3.6% at the short-term horizon, and to 3.0% for the longer-run. Income growth perceptions, the assessment of current credit conditions and expectations about future conditions, all deteriorated.

The European Commission cut its euro area GDP growth forecasts for 2023 and 2024, to 0.8% and 1.3%, respectively. The inflation forecasts for 2023 were revised down 0.2ppts to 5.6%, but 2024 forecasts were revised up 0.1ppts to 2.9%.

Closer to home, Bank of Japan Governor Kazuo Ueda hinted that the central bank may end its negative interest rate policy once it is convinced that 'Japan will see sustained inflation accompanied by wage growth'. However, he stressed that, for the time being, the Bank of Japan will 'patiently' keep its ultra-expansive monetary policy settings. The Japanese yen appreciated in response to these comments but remains close to its weakest levels since November 2022. Japanese 10-year bond yields also edged up.

In commodity markets, iron ore futures prices surged 3.6% to the highest level since April, after Chinese loan data beat expectations. Oil prices continued to climb.

In Australia, the ANZ Roy Morgan consumer confidence index declined 1.4% last week, despite inflation expectations ebbing 0.1ppts to 5.2%. Western Australia was one of three states that saw an improvement in confidence. Westpac consumer sentiment for September will be released later this morning, followed by the NAB business report for August.

In the local markets, the ASX 200 rose by 0.5% yesterday, helped by optimism about China and higher iron ore prices. The strongest gains were recorded for financials and consumer staples. Commonwealth bond yields rose across the yield curve, while the Australian dollar appreciated against all the major currencies.

ECONOMIC DATA REVIEW

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 9 Sep) – Actual -1.4%. Previous 0.8%.

ECONOMIC DATA PREVIEW

- **AU:** Westpac Consumer Sentiment (Sep) – Previous -0.4%.
- **AU:** NAB Business Conditions (Aug) – Previous 10.
- **AU:** NAB Business Sentiment (Aug) – Previous 2.
- **US:** NFIB Small Business Optimism (Aug) – Expected 91.5, Previous 91.9.

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