

Interest Rates (%)			FX		Commodities US\$		
Australia		Δ bp	AUD/USD	0.6507	0.0%	WTI Crude Oil	78.69 \$0.39
90-day Bill	4.35	1	AUD/JPY	97.89	0.2%	Brent Crude Oil	82.80 \$0.89
3-year Bond	3.70	0	AUD/EUR	0.5994	-0.4%	Mogas95*	100.06 \$0.93
10-year Bond	4.11	-1	AUD/GBP	0.5128	-0.4%	CRB Index	277.29 2.21
			AUD/NZD	1.0676	-0.1%	Gold	2114.55 \$70.94
			AUD/CNY	4.6880	0.3%	Silver	23.94 \$1.29
US			EUR/USD	1.0854	0.4%	Iron Ore (62% Fe)**	115.35 -\$1.90
2-year	4.60	-2	USD/JPY	150.44	0.2%	Iron Ore (23-24 Average)	121.34 -\$0.09
10-year	4.22	-4	USD/CNY	7.1989	0.1%	Copper	8542.50 \$49.00
			RBA Policy		Equities		
			O/N Cash Rate Target	4.35	ASX200	7716 16	
			Interbank O/N Cash Rate	4.32	Dow Jones	38990 -7	
Other 10-year			Probability of a 25bps Cut in Mar	2.6%	S&P500	5131 35	
Japan	0.73	1	RBA Bond Holdings (31 Jan)	A\$336.1b	Stoxx600	497 3	
Germany	2.39	-2			CS300	3541 25	
UK	4.12	-1					

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

**Iron ore is the second SGX futures contract.

All changes are from Friday morning (1 March 2024, 8.00am AWST).

US stocks declined yesterday, following gains on Friday. Investors are awaiting US jobs figures and Fed Chair Jerome Powell's appearance in the US Congress later this week. US Treasury yields declined over the Western Australian long weekend, while the US dollar appreciated.

The Australian dollar is flat against the greenback and up against the Japanese yen, but down versus the euro and British pound. The ASX 200 closed at a record high on Friday, retreated 0.1% yesterday and opened higher this morning. Commonwealth bond yields are little changed.

The US ISM manufacturing PMI declined 1.3pts to 47.8 in February (below 50 = contraction), with details of the report pointing to a slowdown in prices paid growth, a renewed decline in new orders and the fastest contraction in employment since June 2023.

In China, the NBS composite PMI was unchanged at 50.9 in February (above 50 = expansion), with details of the report pointing to further contraction in manufacturing and faster expansion in services. The Caixin manufacturing PMI, which is biased towards private mid-sized companies, suggested that Chinese manufacturing activity rose at a slightly faster, but still sluggish pace in February. The Caixin services PMI is scheduled for release later today. The Chinese National People's Congress will take place this week, with analysts expecting that it will set a 2024 growth target of around 5% but an announcement on substantial economic stimulus is considered unlikely.

Aussie dwelling approvals declined 1.0% in January, against a consensus expectation for a 4.0% increase, dragged down by a 9.9% drop in consents for private houses. The Melbourne Institute inflation gauge fell 0.1% in February to be up 4.0% YoY, while ANZ-Indeed job ads dropped 2.8% in February but remain elevated. Last week the ANZ consumer confidence index fell to the lowest level so far this year, while inflation expectations ebbed to 4.9%.

From the GDP partials, corporate gross operating profits rose by 7.4% in Q4, with mining profits up 17.3%, while inventories fell 1.7%. Wages and salaries rose 0.9% in the quarter. The Q4 GDP figures will be released tomorrow, with the consensus being for a rise of 0.2% QoQ and 1.4% YoY.

ECONOMIC DATA REVIEW

- AU:** Dwelling Approvals (MoM, Jan) – Actual -1.0%, Expected 4.0%, Previous -10.1% (revised).
- AU:** Melbourne Institute Inflation Gauge (MoM, Feb) – Actual -0.1%, Previous 0.3%.
- AU:** ANZ-Indeed Job Ads (MoM, Feb) – Actual -2.8%, Previous 3.4% (revised).
- CH:** NBS Composite PMI (Feb) – Actual 50.9, Previous 50.9.
- CH:** Caixin Manufacturing PMI (Feb) – Actual 50.9, Expected 50.7, Previous 50.8.
- US:** ISM Manufacturing PMI (Feb) – Actual 47.8, Expected 49.5, Previous 49.1.

ECONOMIC DATA PREVIEW

- AU:** Current Account (Q4) – Expected A\$5.0b, Previous -A\$0.2b.
- CH:** Caixin Services PMI (Feb) – Expected 52.9, Previous 52.7.
- US:** ISM Services PMI (Feb) – Expected 53.0, Previous 53.4.

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