

Interest Rates (%)				FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6578	0.7%	WTI Crude Oil	64.96	\$0.38	
	90-day Bill	3.60	-1	AUD/JPY	94.53	0.1%	Brent Crude Oil	66.52	-\$0.59
	3-year Bond	3.28	2	AUD/EUR	0.5578	0.1%	Mogas95*	76.22	-\$0.76
	10-year Bond	4.14	-2	AUD/GBP	0.4788	0.5%	CRB Index	297.28	-2.46
			AUD/NZD	1.0793	0.2%	Gold	3311.86	\$47.48	
US			AUD/CNY	4.7131	0.8%	Silver	36.15	\$0.37	
			EUR/USD	1.1793	0.6%	Iron Ore (62% Fe)**	94.10	-\$0.25	
	2-year	3.72	-2	USD/JPY	143.66	-0.6%	Iron Ore (24-25 Average)	100.72	-\$0.02
	10-year	4.23	-5	USD/CNY	7.1638	-0.1%	Copper	9869.00	-\$9.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.85	ASX200	8572	35	
			Interbank O/N Cash Rate		3.84	Dow Jones	44095	276	
	Japan	1.44	-1	Probability of a 25bps Cut in Jul		97.0%	S&P500	6205	32
	Germany	2.61	2	RBA Bond Holdings (30 May)		A\$276.4b	Stoxx600	541	-2
	UK	4.49	-1				CSI300	3936	14

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

**Iron ore is the second SGX futures contract.

US equities had another positive session overnight, with the S&P 500 closing at a fresh record high after a late rise amid optimism over trade talks. Canada announced it was scrapping its digital services tax to salvage trade talks with the US after they were suspended by President Trump last Friday, while the European Union is reported to be willing to accept a 10% universal tariff on most of its exports to the US but wants lower rates in some sectors.

Aussie equities rose for the first time in three days yesterday and opened higher again this morning. The Australian dollar climbed against all the major currencies, particularly the weak greenback. The US dollar index slipped to fresh three-year lows having lost 10.7% over the first half of 2025, its worst six months since 1991.

US Treasury yields have fallen, with the 10-year yield dropping to near two-month lows despite Donald Trump's One Big Beautiful Bill currently the subject of a vote in the Senate. The Congressional Budget Office estimate it will add US\$3.3 trillion to debt over the next decade, with US\$4.5 trillion of tax cuts offset by US\$1.2 trillion in spending cuts.

The Aussie three-year Commonwealth bond yield opened higher this morning however, the 10-year yield has followed US Treasury yields lower after rising over the previous two days.

Brent crude oil prices slipped a little further; however gold prices rebounded as the big dollar continued to sink.

Australian private sector credit increased 0.5% in May to be up 6.9% YoY, the fastest annual growth in over two years, with housing credit growth also up 0.5% in the month and annual growth at a two-year high of 5.8% YoY. Business credit growth slowed 0.2ppts to a still strong 0.8% in the month, and personal credit growth accelerated 0.2ppts to 0.5%.

The Melbourne Institute inflation gauge rose 0.1% in June following a 0.4% fall in May, with annual growth easing 0.2ppts to 2.4% YoY. The trimmed mean measure was also up 0.1% in June after a 0.3% fall in May, supporting the narrative that inflation has eased enough to support an RBA cash rate cut next week.

The Cotality national home value index rose 0.6% in June, the fifth consecutive increase. Prices rose in all capital cities except Hobart, with Perth prices rising 0.8%. Adelaide saw the fastest annual growth among the state capitals at 12.0% followed by Perth with 11.6%. The Perth home value index is up 81.1% since June 2020.

In China, the NBS composite PMI edged up 0.3ppts to 50.7 in June, signalling slightly faster but still tepid business activity growth (above 50 = expansion). The manufacturing PMI increased 0.2ppts to 49.7 indicating activity contracted at a slower pace, while the non-manufacturing PMI rose 0.2ppts to 50.5. The construction subindex climbed 1.8pts to a three-month high of 52.8.

Economic Data Review

- **AU:** Melbourne Institute Inflation Gauge (MoM, June) – Actual 0.1%, Previous -0.4%.
- **AU:** Private Sector Credit (MoM, May) – Actual 0.5%, Expected 0.6%, Previous 0.7%.
- **AU:** Cotality Home Value Index (MoM, Jun) – Actual 0.6%, Previous 0.5%.
- **CH:** NBS Composite PMI (June) – Actual 50.7, Previous 50.4.

Economic Data Preview

- **CH:** Caixin Manufacturing PMI (June) – Expected 49.3, Previous 48.3.
- **US:** ISM Manufacturing PMI (June) – Expected 2.0%, Previous 1.9%.
- **US:** JOLTS Job Openings (May) – Expected 7.3m, Previous 7.4m.