

Interest Rates			FX			Commodities		
Australia		△ bp	AUD/USD	0.7043	0.0%	WTI Crude Oil	65.58	\$2.03
90-day Bill	3.84	-1	AUD/JPY	107.98	0.3%	Brent Crude Oil	70.71	\$2.31
3-year Bond	4.27	3	AUD/EUR	0.5892	0.2%	Mogas95*	76.65	\$0.95
10-year Bond	4.82	2	AUD/GBP	0.5104	0.2%	CRB Index	323.71	4.81
			AUD/NZD	1.1599	-0.1%	Gold	5447.29	-\$67.28
			AUD/CNY	4.8893	0.7%	Silver	118.30	\$0.18
US			EUR/USD	1.1955	-0.2%	Iron Ore (62% Fe)**	104.35	\$1.45
2-year	3.57	0	USD/JPY	153.31	0.3%	Iron Ore (25-26 Average)	103.61	\$0.02
10-year	4.26	1	USD/CNY	6.9524	0.1%	Copper	13618.00	\$531.50
RBA Policy			Equities					
Other 10-year			O/N Cash Rate Target	3.60		ASX200	8963	88
Japan	2.26	1	Interbank O/N Cash Rate	3.60		Dow Jones	49072	56
Germany	2.84	-2	Probability of a 25bps Hike in Feb	69.4%		S&P500	6969	-9
UK	4.51	-3	RBA Bond Holdings (31 Dec)	A\$250.2b		Stoxx600	607	-1
						CSI300	4754	36

*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 declined slightly last night, dragged down by lower information technology stocks, particularly Microsoft. The 10.0% drop in the Microsoft share price was the strongest since the early days of the COVID-19 pandemic in March 2020 and was caused by the perception of overspending on artificial intelligence by the company.

At the same time, most other US equity sectors saw modest gains last night. US Treasury yields were little changed, while the US dollar appreciated a bit further but stayed around four-year lows.

The Australian dollar appreciated against all the major currencies, with the AUD/USD remaining above the US\$0.70 mark. Commonwealth bond yields picked up slightly across the yield curve. The ASX 200 closed 0.1% lower yesterday, with declines in almost all industries almost entirely offset by solid gains in energy, materials and consumer staples. The Aussie share market opened slightly higher this morning.

In commodity markets, the prices of gold and silver eased from record highs overnight. However, the rise in oil prices continued amid ongoing speculation over an upcoming US strike on Iran. Iron ore futures rose by 1.4% ahead of the January NBS PMI report later today.

In tariff news, in his social media post this morning, US President Donald Trump threatened Canada with 50% tariffs on aircraft, which he said was related to issues with the certification process of some Gulfstream jets.

The only global statistical release of note overnight was US initial jobless claims, which were steady at 209k last week. Continued claims declined to 1,827k in the week ending 16 January, the lowest level since mid-September 2024.

At home, the export price index rose by 3.2% in Q4 2025, but was down 0.9% over the year. The major drivers of the solid quarterly increase were non-monetary gold (+19.5%), metalliferous ores and scrap (mainly iron ore; +2.6%), as well as coal, coke and briquettes (+3.6%). These increases were partly offset by lower fossil fuel prices.

The import price index picked up by 0.9% QoQ and 3.0 YoY. Non-monetary gold was one of the major drivers here (+19.7%), though crude fertilisers and minerals saw a particularly strong gain of 42.5%.

Overall, the relatively strong quarterly gain in export prices compared to import prices saw the implied terms of trade pick up to the highest level since Q1 2025.

Economic Data Review

- **AU:** Export Price Index (QoQ, Q4) – Actual 3.2%, Previous -0.9%.
- **AU:** Import Price Index (QoQ, Q4) – Actual 0.9%, Previous 0.4%.
- **US:** Initial Jobless Claims (w/e 24 Jan) – Actual 209k, Expected 205k, Expected 210k (revised).

Economic Data Preview

- **AU:** PPI (QoQ, Q4) – Previous 1.0%.
- **CH:** NBS Composite PMI (Dec) – Expected 2.9%, Previous 3.0%.
- **EZ:** GDP (QoQ, Q4) – Expected 0.3%, Previous 0.3%.
- **US:** PPI (MoM, Dec) – Expected 0.2%, Previous 0.2%.