

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>			AUD/USD	0.6438	0.4%	WTI Crude Oil	79.55	-\$1.26
90-day Bill	4.14	0	AUD/JPY	93.78	0.0%	Brent Crude Oil	83.84	-\$0.64
3-year Bond	3.88	-5	AUD/EUR	0.5933	0.9%	Mogas95*	98.82	\$0.70
10-year Bond	4.23	-8	AUD/GBP	0.5053	0.6%	CRB Index	273.99	-0.75
			AUD/NZD	1.0818	0.1%	Gold	1899.98	\$4.75
			AUD/CNY	4.6850	0.3%	Silver	23.46	\$0.13
<b>US</b>			EUR/USD	1.0853	-0.4%	Iron Ore (62% Fe)**	110.85	\$2.65
2-year	5.03	3	USD/JPY	145.66	-0.4%	Iron Ore (23-24 Average)	107.57	\$0.15
10-year	4.31	-5	USD/CNY	7.2940	0.1%	Copper	8362.50	\$88.00
			<b>RBA Policy</b>			<b>Equities</b>		
			O/N Cash Rate Target	4.10		ASX200	7136	44
			Interbank O/N Cash Rate	4.07		Dow Jones	34289	-175
			Probability of a 25bps Hike in Sep	2.4%		S&P500	4388	-12
			RBA Bond Holdings (31 Jul)	A\$337.0b		Stoxx600	452	3
						CSI300	3758	29
<b>Other 10-year</b>								
Japan	0.67	1						
Germany	2.65	-6						
UK	4.65	-8						

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

\*\*Iron ore is the second SGX futures contract.

Bond yields fell overnight, and US equities saw renewed declines. This followed gains in Europe and the Asia-Pacific, including a small rise in Australia. The Australian dollar appreciated against all the major currencies except the Japanese yen, as iron ore prices extended their rally.

US 10-year Treasury yields eased from a 16-year high, but 2-year yields rose further, reaching the highest level since March.

The decline in US equities was led by financials and energy. The losses in information technology, which has the largest weight in the US market, were somewhat smaller, with Nvidia shares ebbing ahead of the release of its quarterly earnings results tonight but remaining over 200% higher year-to-date.

Fed Governor Michelle Bowman and Chicago Fed President Austan Goolsbee spoke last night, though on issues unrelated to the outlook for monetary policy.

In commodity markets, the fall in oil prices accelerated last night amid concerns over Chinese demand and signs of a rise in Iranian oil exports. Iron ore futures rose another 2.4%, buoyed by reports the Chinese authorities allowed 12 provinces and regions to issue CNY1,500b of special bonds to support construction and infrastructure projects.

In Australia, the Judo Bank composite PMI fell 1.1pts to 47.1 (below 50 = contraction), signalling the fastest pace of decline in private sector business activity since January 2022. The contraction was led by the services sector (46.7), but manufacturing also remained in contraction (49.4). New orders declined, both in manufacturing and services. Despite the ongoing contraction, employment expanded in manufacturing and services, while cost and selling price pressures re-intensified in the manufacturing sector. Services price inflation eased but remained elevated.

The PMIs for the major advanced economies will be published later today.

In domestic markets, Commonwealth bond yields declined across the yield curve. The ASX 200 closed almost flat yesterday, dragged down by underperformance of food retail stocks offset by gains in information technology.

## ECONOMIC DATA REVIEW

- **AU:** Judo Bank Composite PMI (Aug, flash) – Actual 47.1, Previous 48.2.

## ECONOMIC DATA PREVIEW

- **JP:** Jibun Bank Composite PMI (Aug, flash) – Previous 52.2.
- **EZ:** HCOB Composite PMI (Aug, flash) – Expected 48.5, Previous 48.6.
- **UK:** S&P Global Composite PMI (Aug, flash) – Expected 50.4, Previous 48.6.
- **US:** Existing Home Sales (MoM, Jul) – Expected -0.2%, Previous -3.3%.
- **US:** S&P Global Composite PMI (Aug, flash) – Expected 51.5, Previous 52.0.

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