

| Interest Rates | | | FX | | | Commodities | | |
|----------------------|------|-------------|------------------------------------|-----------|-------|--------------------------|----------|---------|
| Australia | | Δ bp | AUD/USD | 0.6934 | 0.2% | WTI Crude Oil | 68.52 | \$0.06 |
| 90-day Bill | 4.47 | 1 | AUD/JPY | 111.99 | 0.3% | Brent Crude Oil | 71.84 | \$0.04 |
| 3-year Bond | 4.40 | -2 | AUD/EUR | 0.6062 | 0.1% | Mogas95* | 93.38 | -\$0.87 |
| 10-year Bond | 4.79 | -3 | AUD/GBP | 0.5193 | 0.2% | CRB Index*** | 353.03 | 0.00 |
| | | | AUD/NZD | 1.2165 | 0.1% | Gold | 4174.12 | \$52.66 |
| | | | AUD/CNY | 4.7035 | 0.2% | Silver | 62.49 | \$1.53 |
| US | | | EUR/USD | 1.1438 | 0.1% | Iron Ore (61% Fe)** | 98.40 | \$0.45 |
| 2-year | 4.13 | -1 | USD/JPY | 161.51 | 0.1% | Iron Ore (26-27 Average) | 98.08 | -\$0.78 |
| 10-year | 4.47 | -1 | USD/CNY | 6.7787 | -0.1% | Copper | 13366.50 | \$40.50 |
| | | | RBA Policy | | | Equities | | |
| | | | O/N Cash Rate Target | 4.35 | | ASX200 | 8837 | 113 |
| | | | Interbank O/N Cash Rate | 4.35 | | Dow Jones*** | 52900 | 0 |
| Other 10-year | | | Probability of a 25bps Hike in Aug | 18.6% | | S&P500*** | 7483 | 0 |
| Japan | 2.80 | 1 | RBA Bond Holdings (29 May) | A\$229.8b | | Stoxx600 | 653 | 4 |
| Germany | 2.94 | 3 | | | | CSI300 | 4842 | 30 |
| UK | 4.78 | 1 | | | | | | |

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

**Iron ore is the second SGX futures contract.

***No change due to a public holiday.

Global financial markets ended the trading week on a positive note, as concerns over the sustainability of artificial intelligence boom ebbed, at least for now. The European stock benchmark index rose by another 0.8%, with gains led by information technology, and reached a fresh record high. This followed gains across the Asia-Pacific region, particularly on the tech-heavy Korean stock exchange.

US investors were away on Friday for the 250th anniversary of the Declaration of Independence, but futures point to a positive start to the trading week on Wall Street.

The positive global market sentiment was reflected in the appreciation of the Australian dollar, while Commonwealth bond yields declined slightly across the yield curve. The ASX 200 surged by 1.4% on Friday, its largest gain in nearly a month, with increases in all sectors except utilities and energy. The Australian share market opened lower this morning.

Oil prices were little changed over the weekend, despite OPEC+ agreeing to add 180k barrels a day to its output target in August, in line with its strategy to reverse the production cuts from 2023. Since the US-Iran war began, the cartel has increased daily production quotas by 940k barrels a day, equivalent to 1% of global demand. Traffic through the Strait of Hormuz continued over the weekend and was nearly twice the level recorded the week before.

Among global data released on Friday, the Chinese RatingDog services PMI declined by 0.3 points to 54.1 in June, indicating a slightly slower but still solid expansion. The report details pointed to a slightly faster increase in new orders, including new export orders, which rose at the fastest pace since October 2024. Employment rose by the most since mid-2024, while business confidence remained strong despite cost price inflation reaching its highest level in two years.

The RatingDog composite PMI fell by 0.4 points to 53.6 in June and continued to signal a stronger expansion than its NBS equivalent, which focuses more on larger, government-owned entities.

The final S&P Global PMI figures were also released over the weekend, with US and Japanese expansions in June turning out to be somewhat stronger than first estimated, while conditions in the euro area are now estimated to have stagnated instead of contracted. However, the contraction in the UK private sector was slightly faster than the flash figures suggested.

This [week](#) will be very quiet, at least domestically in Australia, with the Melbourne Institute inflation gauge and ANZ job ads for June later today being the only releases of note. RBA Assistant Governor Sarah Hunter is set to speak at an economic conference on Wednesday.

The weekly highlights offshore include the US ISM services PMI tonight, the FOMC minutes on Wednesday and Chinese PMIs on Thursday. The RBNZ is set to announce its monetary policy decision on Wednesday, with a 25bps hike expected by most market participants.

Economic Data Review

- **CH:** RatingDog Services PMI (Jun) – Actual 54.1, Expected 53.0, Previous 54.4.

Economic Data Preview

- **AU:** Melbourne Institute Inflation Gauge (YoY, Jun) – Previous 4.4%.
- **US:** ISM Services PMI (YoY, Nov) – Expected 54.0, Previous 54.5.