

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7029	-0.6%	WTI Crude Oil	104.31	\$5.95
90-day Bill	4.34	2	AUD/JPY	112.28	-0.3%	Brent Crude Oil	102.98	\$6.36
3-year Bond	4.73	12	AUD/EUR	0.6016	-0.6%	Mogas95*	128.33	\$8.04
10-year Bond	5.04	9	AUD/GBP	0.5246	-0.4%	CRB Index	369.30	0.75
			AUD/NZD	1.2090	0.0%	Gold	4674.83	-\$81.77
			AUD/CNY	4.8345	0.0%	Silver	73.87	-\$1.24
US			EUR/USD	1.1683	0.0%	Iron Ore (61% Fe)**	104.25	\$1.30
2-year	3.84	6	USD/JPY	159.74	0.3%	Iron Ore (25-26 Average)	103.35	\$0.00
10-year	4.36	7	USD/CNY	6.8292	0.0%	Copper	12845.50	\$164.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8906	-10
			Interbank O/N Cash Rate	4.10		Dow Jones	47917	-269
Other 10-year			Probability of a 25bps Hike in May	71.5%		S&P500	6817	-8
Japan	2.49	9	RBA Bond Holdings (31 Mar)	A\$250.0b		Stoxx600	615	2
Germany	3.06	7				CSI300	4637	70
UK	4.84	9						

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

**Iron ore is the second SGX futures contract.

Wall Street shook off ugly US headline inflation to climb early in Friday's session. The gains followed largely positive sessions in Europe and the Asia-Pacific amid optimism ahead of the weekend's ceasefire talks between the US and Iran. The US market lost all its early ground in the second half of the day as scepticism began to grow over whether there would be any progress in the reopening of the Strait of Hormuz.

The peace talks between the US and Iran ended without an agreement, with progress reportedly stalled by several important points of contention. The US has since upped the ante by announcing a naval blockade, starting today, "against vessels of all nations entering or departing Iranian ports and coastal areas". US forces "will not impede freedom of navigation for vessels transiting the Strait of Hormuz to and from non-Iranian ports".

Oil prices slipped on Friday ahead of the weekend peace talks but have opened sharply higher this morning, following the weekend news. Iron ore prices steadied on Friday after sliding in the middle of last week. Copper rose to its highest level in over three weeks. Aluminium prices remain at around four-year highs. The Gulf countries produce around 9% of global primary aluminium. Gold has given up all last week's gains in early trade today.

Australian bond yields have opened sharply higher this morning. The Aussie dollar slipped below US\$0.70 this morning, before picking up a little, while the ASX 200 has slumped in early trade today.

The US CPI jumped 0.9% in March, in line with market expectations. The rise was driven by a 10.9% rise in the energy index, amid a 21.2% increase in petrol prices, pushing the annual inflation rate up 0.9ppts to 3.3%, the highest since mid-2024. Core CPI inflation (ex-food and energy) was better behaved at 0.2% in the month, with the annual rate picking up 0.1ppts to 2.6%. The longer energy supply disruptions last, the more second round effects will push up core inflation.

The University of Michigan consumer US consumer confidence index fell to a record low (since 1952) in April, as the sharp rise in fuel prices added to existing consumer anxiety. Consumer inflation expectations jumped.

The global energy supply shock appears to have had little impact on Chinese consumer prices in March, with the CPI falling 0.7% over the month and the annual inflation rate slowing 0.1ppts to 1.0%. Higher energy prices, because of the Middle East war, brought an end to three years of deflation in Chinese producer prices, with the annual change in the PPI climbing to 0.5%, from -0.9% in the year to February.

The key domestic release this week will be the March employment report on Thursday. The NAB business and April Westpac consumer sentiment are due on Tuesday. Melbourne Institute consumer inflation expectations for April are on Thursday. The highlights offshore are the US March PPI, Chinese Q1 GDP and March trade and economic activity data.

Economic Data Review

- **CH:** CPI (YoY, Mar) – Actual 1.0%, Expected 1.1%, Previous 1.3%.
- **CH:** PPI (YoY, Mar) – Actual 0.5%, Expected 0.4%, Previous -0.9%.
- **US:** CPI (MoM, Mar) – Actual 0.9%, Expected 0.9%, Previous 0.3%.
- **US:** University of Michigan Consumer Confidence (Apr, prel.) – Actual 47.6, Expected 51.5, Previous 53.3.

Economic Data Preview

- **US:** Existing Home Sales (MoM, Mar) – Expected -0.8%, Previous 1.7%.