

Interest Rates (%)			FX		Commodities US\$		
Australia		Δ bp	AUD/USD	0.6543	0.1%	WTI Crude Oil	78.46 \$0.82
90-day Bill	4.34	0	AUD/JPY	98.45	0.0%	Brent Crude Oil	83.65 \$1.12
3-year Bond	3.75	1	AUD/EUR	0.6035	0.1%	Mogas95*	101.10 \$2.43
10-year Bond	4.18	4	AUD/GBP	0.5160	0.1%	CRB Index	276.49 2.86
			AUD/NZD	1.0603	0.0%	Gold	2030.26 -\$2.08
			AUD/CNY	4.7121	0.2%	Silver	22.46 -\$0.04
US			EUR/USD	1.0843	-0.1%	Iron Ore (62% Fe)**	116.95 \$3.35
2-year	4.69	-1	USD/JPY	150.49	-0.1%	Iron Ore (23-24 Average)	121.49 -\$0.01
10-year	4.30	1	USD/CNY	7.1979	0.0%	Copper	8474.00 \$8.00
			RBA Policy		Equities		
			O/N Cash Rate Target	4.35		ASX200	7662 48
			Interbank O/N Cash Rate	4.32		Dow Jones	38972 -97
			Probability of a 25bps Cut in Mar	0.0%		S&P500	5078 9
Other 10-year			RBA Bond Holdings (31 Jan)	A\$336.1b		Stoxx600	496 1
Japan	0.70	-1				CSI300	3495 41
Germany	2.46	2					
UK	4.20	3					

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

**Iron ore is the second SGX futures contract.

US stocks were again mixed last night, as investors await news on PCE price inflation due on Thursday, which is expected to add to recent evidence that the disinflation process is stalling. The Dow Jones declined somewhat, while the S&P 500 and Nasdaq saw slight gains. US Treasury yields rose at the back end of the curve after a US\$42 billion auction of seven-year notes and large issuance of corporate debt.

The Australian dollar appreciated a little overnight, with the AUD/USD edging up 0.1%. Commonwealth bond yields saw slight increases. The ASX 200 closed 0.1% higher yesterday, as strong gains in consumer staples and information technology were more than offset by losses in materials and healthcare. The Aussie stock market is slightly lower this morning.

In commodity markets, oil prices rose by another 1-1.5%, as reports that OPEC+ is considering extending its production cuts into the second quarter added to concerns over a tighter market. Iron ore futures bounced yesterday after falling heavily on Monday.

US durable goods orders dropped 6.1% in January, more than the 5.0% fall expected, dragged down by the volatile aircraft orders category. The so-called core capital goods orders, which excludes defence and aircraft, ticked up 0.1%, though the December figures were revised from a 0.2% increase to a 0.6% decline.

The US Conference Board consumer confidence index, which focuses more on labour market conditions than its University of Michigan equivalent, unexpectedly fell in February, from a downwardly revised level for the previous month.

The Case-Shiller house price index for the 20 largest US cities rose another 0.2% in December, to be up 6.1% through the year and at a new record high.

Fed Governor Michelle Bowman said that, if disinflation towards the 2% target continues, it will 'eventually' be appropriate to lower the fed funds rate so that monetary policy is not 'overly restrictive'. However, she stressed that, in her view, 'we are not yet at that point'.

ECONOMIC DATA REVIEW

- **US:** Durable Goods Orders (MoM, Jan) – Actual -6.1%, Expected -5.0%, Previous -0.3% (revised).
- **US:** Case-Shiller House Price Index 20 Cities (MoM, Dec) – Actual 0.2%, Expected 0.2%, Previous 0.2%.
- **US:** Conference Board Consumer Confidence (Feb) – Actual 106.7, Expected 115.0, Previous 110.9 (revised).

ECONOMIC DATA PREVIEW

- **AU:** Monthly CPI Indicator (YoY, Jan) – Expected 3.6%, Previous 3.4%.
- **AU:** Construction Work Done (QoQ, A4) – Expected 0.6%, Previous 1.3%.
- **NZ:** RBNZ Decision (Official Cash Rate) – Expected 5.50%, Previous 5.50%.
- **US:** GDP (QoQ Annualized, Q4, 2nd Estimate) – Expected 3.3%, Previous 3.3%.

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