

Interest Rates			FX			Commodities		
<b>Australia</b>		$\Delta$ bp	AUD/USD	0.7236	0.3%	WTI Crude Oil	96.17	-\$5.14
90-day Bill	4.44	0	AUD/JPY	113.21	-0.4%	Brent Crude Oil	102.20	-\$6.71
3-year Bond	4.60	-5	AUD/EUR	0.6159	0.1%	Mogas95*	123.37	-\$6.02
10-year Bond	4.91	-6	AUD/GBP	0.5324	0.2%	CRB Index	388.00	-10.45
			AUD/NZD	1.2156	-0.4%	Gold	4692.09	\$82.22
			AUD/CNY	4.9302	0.4%	Silver	77.21	\$3.20
<b>US</b>			EUR/USD	1.1748	0.2%	Iron Ore (61% Fe)**	110.35	\$1.80
2-year	3.87	-7	USD/JPY	156.45	-0.7%	Iron Ore (25-26 Average)	103.66	\$0.04
10-year	4.35	-7	USD/CNY	6.8125	-0.2%	Copper	13392.00	\$257.50
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.35		ASX200	8879	145
Japan	2.50	-1	Interbank O/N Cash Rate	4.35		Dow Jones	49911	612
Germany	3.00	-6	Probability of a 25bps Hike in Jun	25.7%		S&P500	7365	106
UK	4.94	-12	RBA Bond Holdings (30 Apr)	A\$230.3b		Stoxx600	623	14
						CSI300	4877	70

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

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

The gains in global stocks accelerated yesterday, while oil prices dropped further, amid hopes for a definitive end to the US-Iran conflict and the re-opening of the Strait of Hormuz. This came as the US administration said that the operation 'Epic Fury', a code name for the conflict, had come to an end and sent a new 'peace proposal' to the Iranian side, which is being reviewed. Meanwhile, Iran has hinted that the Strait could re-open conditionally on de-escalation from the US.

The markets have largely ignored the warning from US President Donald Trump to resume attacks on Iran if a deal is not reached, and the resumption of Israeli strikes on Lebanon.

The S&P 500 surged by 1.5% yesterday, the most in around a month, to reach a fresh record high. Brent futures dropped to around US\$96 a barrel at one point, but are trading slightly above US\$100 a barrel at the time of writing. US Treasury yields fell across the yield curve, but remain 30-40bps above the levels from the start of the war, and the expected fed funds rate path – which pointed to easing ahead of the war – remains flat.

The fresh optimism in the global markets supported the Australian dollar, which appreciated against all the major currencies except for the Japanese yen. Commonwealth bond yields fell in line with their US equivalents, but also remain around 30bps above their pre-war levels. The ASX 200 opened sharply higher this morning, after closing 1.3% higher yesterday, though gains and losses were mixed across sectors.

From the data released overnight, ADP private sector employment rose by 109k in April, slightly less than the 120k expected by the markets, but more than the 61k reported for the previous month. Over half of the April gain came from education and health, which have been responsible for much of the job gains in the US for some time. The ADP employment report has been a poor indicator of the official job figures, which are scheduled for release on Friday.

Across the Pacific, the Chinese RatingDog services PMI rose by 0.5pts to 52.6 in April (above 50 = expansion), while the market consensus was for a 0.1pts decline to 52.6. The report details pointed to a further rise in new orders, a marginal fall in employment, and mounting cost pressures that translated into the highest prices paid inflation in 2026.

The RatingDog composite PMI rose by 1.6pts to 53.1 in April, outperforming the NBS composite PMI (a 50.1 reading for April), suggesting that activity in smaller and private businesses is faring better than in large companies.

At home, the ABS released its Q1 report on the living cost indices yesterday, showing a 2.5% QoQ gain for pensioners and government transfer recipients, reflecting higher healthcare costs and higher out-of-pocket electricity costs after households had used up the energy bill relief measures. Employees and self-funded retirees, for whom the healthcare and utilities constitute a lower share of spending, saw more measured gains of 1.4% QoQ and 1.1% QoQ, respectively.

## Economic Data Review

- **CH:** RatingDog Services PMI (Apr) – Actual 52.6, Expected 52.0, Previous 52.1.
- **US:** ADP Employment (monthly change, Apr) – Actual 109k, Expected 120k, Previous 61k (revised).

## Economic Data Preview

- **AU:** Goods Trade Balance (Mar) – Expected A\$4.4b, Previous A\$5.7b.
- **US:** Initial Jobless Claims (w/e 2 May) – Expected 205k, Expected 189k.