

Economic Analysis

Daily Report 14 March 2024

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6627	0.3%	WTI Crude Oil	79.69	\$1.76
90-day Bill	4.34	0	AUD/JPY	97.83	0.4%	Brent Crude Oil	84.00	\$1.72
3-year Bond	3.69	5	AUD/EUR	0.6052	0.1%	Mogas95*	100.94	\$1.59
10-year Bond	4.06	6	AUD/GBP	0.5178	0.3%	CRB Index	281.09	2.77
			AUD/NZD	1.0752	0.0%	Gold	2174.95	\$15.05
			AUD/CNY	4.7616	0.4%	Silver	25.05	\$0.87
US			EUR/USD	1.0950	0.2%	Iron Ore (62% Fe)**	106.75	-\$0.40
2-year	4.63	5	USD/JPY	147.63	0.1%	Iron Ore (23-24 Average)	120.93	-\$0.10
10-year	4.19	4	USD/CNY	7.1868	0.1%	Copper	8927.00	\$270.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7725	-4
			Interbank O/N Cash Rate	4.32		Dow Jones	39043	38
			Probability of a 25bps Cut in Mar	2.2%		S&P500	5165	-10
			RBA Bond Holdings (29 Feb)	A\$335.5b		Stoxx600	507	1
						CSI300	3572	-25
Other 10-year								
Japan	0.78	1						
Germany	2.37	4						
UK	4.02	8						

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

**Iron ore is the second SGX futures contract.

Global stocks were mixed yesterday, with a lack of top-tier data to provide guidance. On Wall Street, the S&P 500 retreated 0.2% from Tuesday's record high.

The tech-heavy Nasdaq fell 0.8%, while the Dow Jones ticked up 0.1%. Across the Atlantic, the Stoxx 600 rose 0.2% to a fresh record high, while the FTSE 100 gained 0.3%. This followed a mainly negative session in the Asia-Pacific. The MSCI World index edged down but remained close to a record high.

US Treasury yields picked up across the yield curve, still fuelled by the upside surprise to US CPI figures, while the euro rose to its highest level against the greenback since mid-January.

The Australian dollar appreciated against all the major currencies. Commonwealth bond yields rose in line with their global equivalents. The ASX 200 rose by 0.2% yesterday but has opened slightly lower this morning.

The gold price resumed its rally, to be just 0.3% off Monday's record high.

Oil prices surged around 2% despite press reports again pointing out that some OPEC+ members are not compliant with the agreed output cuts. Data showed that US crude inventories fell last week raising supply concerns, while a Ukrainian drone attack on a Russian refinery served as a reminder of geopolitical risks.

Iron ore futures prices declined by 1.1% yesterday, with some analysts pointing to the risk of a temporary fall below US\$100 a tonne.

The only data release of note overnight was UK monthly GDP, which rose 0.2% in January, but continued to fall in quarterly terms. The monthly increase was supported by construction (+1.1%) and services (+0.2%), while industrial production declined by 0.2% following a solid 0.6% gain in December.

Today will see the Aussie payroll jobs report for the month to February (although this data is unadjusted), followed by US retail sales and PPI figures for February. The weekly US jobless claims are also scheduled for release tonight.

ECONOMIC DATA REVIEW

- **UK:** Monthly GDP (MoM, Jan) – Actual 0.2%, Expected 0.2%, Previous -0.1%.

ECONOMIC DATA PREVIEW

- **AU:** Payroll Jobs (MoM, 17 Feb) – Previous 0.5%.
- **US:** Retail Sales (MoM, Feb) – Expected 0.8%, Previous -0.8%.
- **US:** PPI (MoM, Feb) – Expected 0.3%, Previous 0.3%.
- **US:** Initial Jobless Claims (w/e 9 Mar) – Expected 218k, Previous 217k.

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