

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6491	0.7%	WTI Crude Oil	62.98	\$2.07
90-day Bill	3.71	-2	AUD/JPY	92.58	-0.1%	Brent Crude Oil	65.06	\$0.96
3-year Bond	3.34	-4	AUD/EUR	0.5671	0.0%	Mogas95*	75.80	\$1.17
10-year Bond	4.27	-3	AUD/GBP	0.4791	0.3%	CRB Index	294.93	4.17
			AUD/NZD	1.0731	-0.5%	Gold	3381.24	\$68.20
			AUD/CNY	4.6695	0.7%	Silver	34.66	\$1.41
US			EUR/USD	1.1446	0.6%	Iron Ore (62% Fe)**	94.70	-\$2.15
2-year	3.93	-1	USD/JPY	142.63	-0.8%	Iron Ore (24-25 Average)	101.28	-\$0.05
10-year	4.44	1	USD/CNY	7.1989	0.2%	Copper	9616.50	\$48.50
			RBA Policy			Equities		
			O/N Cash Rate Target		3.85	ASX200	8467	75
Other 10-year			Interbank O/N Cash Rate		3.84	Dow Jones	42305	90
Japan	1.52	1	Probability of a 25bps Cut in Jul		72.8%	S&P500	5936	24
Germany	2.52	2	RBA Bond Holdings (30 Apr)		A\$276.4b	Stoxx600	548	0
UK	4.67	2				CSI300	3840	-18

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

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

The S&P 500 rose by 0.4% last night, following a flat result on Friday that concluded the best trading month since November 2023. While equity investors shrugged off President Trump's announcement of a hike in US steel tariffs to 50%, concerns over a re-escalation of the trade war saw the US dollar depreciate and the gold price bounce. Oil prices picked up on news that some OPEC+ members had opposed the July output hikes and speculation that Iran might reject a US proposal on its nuclear program, possibly opening the way to fresh sanctions.

The AUD/USD climbed to a fresh 2025 high, while Commonwealth bond yields declined. The ASX 200 closed 0.3% higher on Friday, followed by a 0.2% decline yesterday and a rise this morning.

Data-wise, US personal spending rose by 0.2% in April, in line with the market expectations, with real personal spending unexpectedly ticking up by 0.1%. The PCE price index also rose by 0.1%, but the annual rate of headline inflation declined to 2.1%. Core inflation eased 0.2ppts to a four-year low of 2.5%. The ISM manufacturing PMI declined 0.2pts to 48.5 in May (below 50 = contraction), mainly due to a drawdown of inventories and lower export orders.

Across the Pacific, the NBS composite PMI rose 0.2pts to 50.4 in May, with contraction in manufacturing narrowing somewhat (+0.5pts to 49.5), while conditions in services remained near-stagnant (+0.1pts to 50.2). The construction PMI suggested a further slowdown (-0.9pts to 50.1).

Aussie retail trade unexpectedly ebbed by 0.1% in April, partly reflecting the later timing of Easter and lower sales of apparel amid unusually warm weather. Dwelling approvals saw another 5.7% drop in April, but private sector house approvals picked up by 3.1%. The Cotality (formerly CoreLogic) home value growth accelerated 0.3ppts to 0.5% in May, with Perth again seeing the strongest increase of all state capital cities (+0.7%). Melbourne Institute inflation gauge suggested a 0.4% decline in consumer prices in May. ANZ job ads fell by 1.2% in May.

Another busy week ahead domestically, with the Q1 national accounts tomorrow being the key release. Other highlights include the RBA minutes and Q1 balance of payments later today, as well as the household spending indicator and trade balance for April on Thursday. Highlights offshore will be the US labour market figures as well as the Caixin and ISM PMIs. The Bank of Canada and ECB are to announce monetary policy decisions tomorrow and Thursday, respectively.

## Economic Data Review

- **AU:** Retail Trade (MoM, Apr) – Actual -0.1%, Expected 0.3%, Previous 0.3%.
- **AU:** Dwelling Approvals (MoM, Apr) – Actual -5.7%, Expected 3.0%, Previous -7.1% (revised).
- **CH:** NBS Composite PMI (May) – Actual 50.4, Previous 50.2.
- **US:** PCE Price Index (MoM, Apr) – Actual 0.1%, Expected 0.1%, Previous 0.0%.
- **US:** ISM Manufacturing PMI (May) – Actual 48.5, Expected 49.5, Previous 48.7.

## Economic Data Preview

- **AU:** RBA Monetary Board Minutes.
- **AU:** Current Account Balance (Q1) – Expected -A\$12.5b, Previous -A\$12.5b.
- **CH:** Caixin Manufacturing PMI (May) – Expected 50.9, Previous 50.4.
- **US:** JOLTS Job Openings (Apr) – Expected 7,063k, Previous 7,192k.