

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7131	-0.5%	WTI Crude Oil	96.85	\$2.80
90-day Bill	4.36	1	AUD/JPY	113.91	-0.2%	Brent Crude Oil	106.28	\$3.29
3-year Bond	4.71	6	AUD/EUR	0.6103	-0.2%	Mogas95*	128.82	\$1.48
10-year Bond	5.01	3	AUD/GBP	0.5296	-0.2%	CRB Index	381.84	3.65
			AUD/NZD	1.2175	0.4%	Gold	4698.73	-\$49.85
			AUD/CNY	4.8748	-0.3%	Silver	75.51	-\$2.72
US			EUR/USD	1.1684	-0.2%	Iron Ore (61% Fe)**	106.70	-\$0.05
2-year	3.84	4	USD/JPY	159.76	0.2%	Iron Ore (25-26 Average)	103.47	\$0.01
10-year	4.33	2	USD/CNY	6.8313	0.0%	Copper	13355.50	-\$77.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8765	-47
			Interbank O/N Cash Rate	4.10		Dow Jones	49310	-180
Other 10-year			Probability of a 25bps Hike in May	73.9%		S&P500	7108	-30
Japan	2.45	5	RBA Bond Holdings (31 Mar)	A\$250.0b		Stoxx600	614	0
Germany	3.01	0				CSI300	4786	-13
UK	4.94	3						

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

**Iron ore is the second SGX futures contract.

Fresh concerns over a prolonged conflict in the Middle East drove US equities lower last night, while Brent futures have again moved above US\$100 a barrel. US Treasury yields saw a further slight increase.

Press reports have suggested that the US has intercepted Iranian oil tankers in the Indian Ocean, while US President Donald Trump ordered US forces to shoot at boats laying mines in the Strait of Hormuz, but also announced that the current ceasefire in Lebanon will be extended by three weeks.

At the same time, Somalia closed the Bab el-Mandeb Strait to Israeli shipping over its formal recognition of Somaliland, a breakaway region of Somalia. The Strait is another critical passage for global transport on the other side of the Arabian Peninsula.

The declines on Wall Street followed losses in Europe and most of the Asia-Pacific region. The ASX 200 fell by another 0.6% yesterday, with declines in all industries except for energy and utilities, before opening in red again this morning.

The sourer global market sentiment dragged the Australian dollar slightly lower against all the major currencies. Commonwealth yields picked up further, with the increase being somewhat larger at the front end of the yield curve, as cash rate hike expectations have intensified a little further.

Data-wise, US S&P Global composite PMI rose by 1.7pts to 52.0 in April (above 50 = expansion), with services coming out of contraction (+1.5pts to 51.3) and manufacturing growth accelerating (1.7pts to 54.0). The report details suggested a marginal rise in employment, as well as the largest supply chain disruptions and cost pressures since 2022. Business sentiment improved slightly but remained depressed.

From other US data, initial jobless claims were little changed at a moderate 214k last week. Continued claims also held steady at a reasonable 1,821k in the week ending 11 April.

Across the Atlantic, euro area PMIs slipped into contraction in April, dragged down by a decline in services, while the pace of expansion in manufacturing increased. UK PMIs mirrored those in the US, with expansion accelerating. Cost and price inflation picked up to multi-year levels in both economies.

Closer to home, the S&P Global PMIs suggested ongoing contraction in Japan, despite the strongest growth in manufacturing activity since February 2014. However, sentiment regarding future output for the entire economy reached the weakest level in nearly six years.

Economic Data Review

- **JP:** S&P Global Composite PMI (Apr, flash) – Actual 52.4, Previous 53.0.
- **EZ:** S&P Global Composite PMI (Apr, flash) – Actual 48.6, Expected 50.1, Previous 50.7.
- **UK:** S&P Global Composite PMI (Apr, flash) – Actual 52.0, Expected 49.8, Previous 50.3.
- **US:** Initial Jobless Claims (w/e 18 Apr) – Actual 214k, Expected 210k, Previous 208k (revised).
- **US:** S&P Global Composite PMI (Apr, flash) – Actual 52.0, Expected 50.6, Previous 50.3.

Economic Data Preview

- **JP:** CPI (YoY, Mar) – Expected 1.4%, Previous 1.3%.