

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>			AUD/USD	0.6538	-0.4%	WTI Crude Oil	77.64	-\$0.84
90-day Bill	4.33	0	AUD/JPY	98.44	-0.4%	Brent Crude Oil	82.53	\$0.98
3-year Bond	3.74	-1	AUD/EUR	0.6026	-0.7%	Mogas95*	98.67	-\$0.81
10-year Bond	4.15	2	AUD/GBP	0.5155	-0.5%	CRB Index	273.64	2.82
			AUD/NZD	1.0605	-0.1%	Gold	2032.34	-\$2.20
			AUD/CNY	4.7018	-0.5%	Silver	22.50	-\$0.37
<b>US</b>			EUR/USD	1.0850	0.3%	Iron Ore (62% Fe)**	113.60	-\$6.40
2-year	4.70	1	USD/JPY	150.57	0.0%	Iron Ore (23-24 Average)	121.50	-\$0.07
10-year	4.28	3	USD/CNY	7.1975	0.0%	Copper	8466.00	-\$101.50
			<b>RBA Policy</b>			<b>Equities</b>		
			O/N Cash Rate Target	4.35		ASX200	7614	-59
			Interbank O/N Cash Rate	4.32		Dow Jones	39069	-63
			Probability of a 25bps Cut in Mar	5.8%		S&P500	5070	-20
			RBA Bond Holdings (31 Jan)	A\$336.1b		Stoxx600	495	-2
						CSI300	3453	-36
<b>Other 10-year</b>								
Japan	0.70	-2						
Germany	2.44	8						
UK	4.16	13						

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

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

US stocks started the week slightly lower, with little in the way of news or major economic data to provide guidance. The US data flow picks up tonight and the week's highlight will be the PCE price inflation data due Thursday. This followed significant gains last week, driven by a rally in technology stocks. Monday also saw declines in Europe and most of the Asia-Pacific. US Treasury yields picked up across the yield curve following 2- and 5-year note auctions.

The slight easing in global market sentiment saw the Aussie dollar weaken across the board. 3-year Commonwealth bond yields declined slightly, while 10-year yields rose. The ASX 200 closed 0.1% higher yesterday, as solid increases in consumer discretionary, info tech, healthcare and financials were almost fully offset by strong declines in energy and utility stocks. The Aussie stock market followed Wall Street's lead this morning, to open in red.

In commodity markets, oil prices were mixed, with Brent bouncing 1.3% and WTI seeing a further 1.1% decline. Persistent concerns over the Chinese property sector saw iron ore futures drop by another 5.3% to the lowest level since 23 October 2023.

The only US release of note was new home sales figures for January, with a 1.5% gain to the still moderate 661k (annualised).

Japanese CPI for January came out this morning, showing a slower-than-expected decline in annual inflation rates. Annual headline CPI inflation declined 0.4ppts to 2.2% (mkt exp 1.9%), while so-called 'core-core' inflation, which excludes fresh food and energy, declined 0.2ppts to 3.5% (mkt exp 3.3%).

ECB President Christine Lagarde testified in the European Parliament yesterday, saying that disinflation is expected to continue, but the ECB Governing Council needs to be confident it is falling 'sustainably to our 2% target'. She cited wages growth as an increasingly important inflation driver and major upside risk to price growth. The first 25bps cut from the ECB is almost fully priced for June.

From local data, the ANZ Roy Morgan consumer confidence index rose by another 0.5% last week, but remained depressed. Inflation expectations declined 0.1ppts to the still-elevated 5.1%.

#### ECONOMIC DATA REVIEW

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 24 Feb) – Actual 0.5%, Previous 0.2%.
- **JP:** CPI (YoY, Jan) – Actual 2.2%, Expected 1.9%, Previous 2.6%.
- **US:** New Home Sales (MoM, Jan) – Actual 1.5%, Expected 3.0%, Previous 7.2% (revised).

#### ECONOMIC DATA PREVIEW

- **US:** Durable Goods Orders (MoM, Jan) – Expected -5.0%, Previous 0.0%.
- **US:** Case Shiller House Price Index 20 Cities (MoM, Dec) – Expected 0.2%, Previous 0.2%.

#### Disclaimer

Any opinions, judgments, conclusions, forecasts, predictions or estimations contained in this advice are made in reliance on information provided to Western Australian Treasury Corporation which Western Australian Treasury Corporation believes to be reliable. Western Australian Treasury Corporation, however, cannot guarantee the accuracy of that information. Thus, any recommendations are made in good faith but are provided only to assist you with any decisions which you make. These recommendations are not intended to be a substitute for professional advice on a particular matter. Before accepting or rejecting those recommendations you must discuss your particular needs and circumstances with Western Australian Treasury Corporation.