

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6431	0.2%	WTI Crude Oil	80.02	-\$0.08
90-day Bill	4.14	0	AUD/JPY	94.18	0.2%	Brent Crude Oil	84.42	-\$0.31
3-year Bond	3.84	-2	AUD/EUR	0.5940	0.0%	Mogas95*	105.45	-\$0.34
10-year Bond	4.13	-1	AUD/GBP	0.5101	0.1%	CRB Index	278.64	0.44
			AUD/NZD	1.0884	0.2%	Gold	1920.98	\$4.98
			AUD/CNY	4.6821	0.1%	Silver	24.22	-\$0.04
US			EUR/USD	1.0827	0.2%	Iron Ore (62% Fe)**	113.20	-\$0.05
2-year	5.05	-4	USD/JPY	146.43	0.0%	Iron Ore (23-24 Average)	108.13	\$0.10
10-year	4.20	-5	USD/CNY	7.2889	0.0%	Copper***	8355.50	\$0.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7160	9
			Interbank O/N Cash Rate	4.07		Dow Jones	34560	213
Other 10-year			Probability of a 25bps Hike in Sep	2.4%		S&P500	4433	28
Japan	0.66	0	RBA Bond Holdings (31 Jul)	A\$337.0b		Stoxx600	455	4
Germany	2.56	0				CSI300	3753	43
UK	4.44	0						

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

**Iron ore is the second SGX futures contract.

***No change due to a bank holiday.

Yesterday was a quiet start to a busy week, with US equities rising on low trading volumes, as investors await employment and ISM data due later this week. The gains were broad-based, with utilities being the only sector to register a marginal decline. The gains in the US followed increases across Europe and the Asia-Pacific.

US Treasury yields declined somewhat across the yield curve but fed funds rate expectations remained higher than last week. Yields in Europe and Japan were steady.

Globally, there were no market-moving releases or appearances from central bank officials overnight.

Chinese equities were boosted by [measures taken by the Chinese authorities](#) to bring back confidence to the local market. The CSI 300 opened 5.4% higher on the news but by the end of the day had lost most of its early gains to close the session 1.2% higher.

In commodity markets, iron ore futures prices have stabilised in recent days, after rising sharply through most of last week. Brent futures declined by 0.4%.

In Australia, [retail trade](#) rose by 0.5% in July, which was more than the 0.3% pencilled in by the market consensus. The ABS partly attributed the stronger-than-expected result to additional spending related to the 2023 FIFA Women's World Cup. Nominal retail trade turnover could also have been boosted by higher prices after the end of EOFY sales. Looking through these temporary factors, retail sales were unchanged in trend terms and the annual rate of growth slowed to 2.1%, the lowest since August 2021.

ANZ Roy Morgan consumer confidence bounced 3.0% last week but remained depressed. Inflation expectations declined 0.3ppts to 5.2%.

The upside surprise to retail trade figures had little impact on cash rate expectations, with no hike still expected for the RBA Board meeting next week. Commonwealth bond yields declined less than their US equivalents, however, while the ASX 200 gained 0.6% yesterday supported by, among others, consumer discretionary stocks. The Australian dollar appreciated against the major currencies except for the euro.

ECONOMIC DATA REVIEW

- **AU:** Retail Trade (MoM, Jul) – Actual 0.5%, Expected 0.3%, Previous -0.8%.
- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 26 Aug) – Actual 3.0%, Previous -3.1%.

ECONOMIC DATA PREVIEW

- **AU:** Public Appearance by RBA Deputy Governor Michele Bullock.
- **US:** Case-Shiller House Price Index (MoM, Jun) – Expected 0.8%, Previous 1.0%.
- **US:** Conference Board Consumer Confidence (Aug) – Expected 116.6, Previous 117.0.
- **US:** JOLTS Job Openings (Jul) – Expected 9,500k, Previous 9,582k.

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