

Interest Rates (%)			FX			Commodities US\$				
Australia	Δ bp		AUD/USD	0.6553	-0.5%	WTI Crude Oil	66.76	-\$1.75		
		90-day Bill	3.72	0	AUD/JPY	96.75	-0.1%	Brent Crude Oil	69.03	-\$1.41
		3-year Bond	3.49	2	AUD/EUR	0.5612	-0.4%	Mogas95*	78.42	-\$0.91
		10-year Bond	4.37	1	AUD/GBP	0.4876	0.0%	CRB Index	303.39	-0.13
				AUD/NZD	1.0959	0.1%	Gold	3347.94	-\$23.34	
				AUD/CNY	4.6966	-0.5%	Silver	38.27	-\$0.29	
US			EUR/USD	1.1677	-0.1%	Iron Ore (62% Fe)**	99.40	-\$0.15		
		2-year	3.90	1	USD/JPY	147.64	0.4%	Iron Ore (25-26 Average)	96.81	\$0.23
		10-year	4.43	1	USD/CNY	7.1720	0.0%	Copper	9619.00	-\$41.50
		RBA Policy			Equities					
Other 10-year			O/N Cash Rate Target		3.85	ASX200	8617	51		
			Interbank O/N Cash Rate		3.84	Dow Jones	44460	88		
			Probability of a 25bps Cut in Aug		94.6%	S&P500	6269	9		
			RBA Bond Holdings (30 Jun)		A\$276.4b	Stoxx600	547	0		
						CSI300	4018	3		

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

**Iron ore is the second SGX futures contract.

Following a weak start, US stocks closed slightly higher last night, as a conciliatory approach from Mexico and Canada offered hope that preliminary trade deals could be reached ahead of the 1 August deadline.

Meanwhile, US President Donald Trump threatened Russia with 100% 'secondary' tariffs unless a peace deal with Ukraine is reached within 50 days. These supersized tariffs would come instead of a fresh round of sanctions, leading to a retreat in oil prices.

US Treasury yields ticked up ahead of tonight's US CPI figures, with a slight increase in the annual rate of inflation expected. The US dollar appreciated. Bitcoin rose above US\$120k for the first time, as the US Congress is about to adopt a package aiming to support development of cryptocurrencies.

The Australian dollar depreciated against all major currencies, particularly the stronger greenback. Commonwealth bond yields rose a little across the yield curve. The ASX 200 ebbed by 0.1% yesterday, with losses in all sectors except for materials, energy, communications and real estate. The Aussie share market opened 0.6% higher this morning.

Data-wise, Chinese trade surplus rose to US\$114.7b in June, which is the highest level since January. The rise in trade surplus was driven by faster growth in exports (5.8% YoY against 4.8% YoY in May). Imports also resumed growing, albeit at a sluggish pace (+1.1% YoY against -3.4% YoY in May).

From details of the Chinese trade report, a 9.9% YoY decline in exports to the US was again more than offset by gains in shipments to other countries and regions, particularly ASEAN (+14.3%). At the same time, imports of iron ore bounced by 8.0% in June, to be up by 8.5% YoY.

Chinese Q2 GDP and June activity data will be published later today.

In Australia, the ANZ Roy Morgan consumer sentiment index declined by 2.4% to 86.5 last week, most likely dragged down by the RBA's decision to keep interest rates on hold. Two-year consumer inflation expectations declined 0.1ppts to 4.9%. The more established monthly Westpac Melbourne Institute consumer sentiment index for July will come out later this morning.

Economic Data Review

- **CH:** Trade Balance (Jun) – Actual US\$114.7b, Expected US\$112.1b, Previous US\$103.2b.

Economic Data Preview

- **AU:** Westpac Melbourne Institute Consumer Sentiment (Jun) – Previous 0.5%.
- **CH:** GDP (YoY, Q2) – Expected 5.1%, Previous 5.4%.
- **CH:** Retail Sales (YoY, Jun) – Expected 5.3%, Previous 6.4%.
- **CH:** Industrial Production (YoY, Jun) – Expected 5.6%, Previous 5.8%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Jun) – Expected 3.6%, Previous 3.7%.
- **US:** CPI (MoM, Jun) – Expected 0.3%, Previous 0.1%.