

Interest Rates			FX			Commodities		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.7053	0.2%	WTI Crude Oil	66.57	\$1.55
90-day Bill	3.99	2	AUD/JPY	109.41	0.4%	Brent Crude Oil	71.66	\$1.31
3-year Bond	4.31	5	AUD/EUR	0.5993	0.3%	Mogas95*	80.60	\$2.05
10-year Bond	4.76	3	AUD/GBP	0.5240	0.4%	CRB Index	309.10	1.17
			AUD/NZD	1.1818	0.1%	Gold	4992.56	\$24.50
			AUD/CNY	4.8573	-0.4%	Silver	78.18	\$1.30
<b>US</b>			EUR/USD	1.1768	-0.2%	Iron Ore (62% Fe)**	95.50	-\$0.20
2-year	3.46	0	USD/JPY	155.13	0.3%	Iron Ore (25-26 Average)	103.18	-\$0.05
10-year	4.07	-1	USD/CNY	6.9049	0.0%	Copper	12809.00	-\$102.50
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	3.85		ASX200	9062	-38
Japan	2.13	-2	Interbank O/N Cash Rate	3.85		Dow Jones	49395	-268
Germany	2.74	0	Probability of a 25bps Hike in Mar	17.7%		S&P500	6862	-19
UK	4.37	-1	RBA Bond Holdings (30 Jan)	A\$250.2b		Stoxx600	625	-3
						CSI300***	4660	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 public holiday.

US stocks retreated last night, while the prices of gold and oil rose further amid concerns over a potential significant US aerial attack on Iran. The US has gathered a myriad of military forces in the region, which includes two aircraft carriers, fighter jets and refuelling tankers. US President Donald Trump has repeatedly urged Iran to make a 'meaningful' deal to avoid an attack and appears to have set a deadline for talks between the countries over the next 10 days.

The Australian dollar benefited from a rise in some commodity prices and another solid labour market report, which led to a slight intensification of cash rate hike expectations. Commonwealth bond yields are higher than yesterday morning. The ASX 200 opened in the red this morning, after rising by 0.9% yesterday.

Data-wise, US initial jobless claims declined to a one-month low of 206k last week, while continued claims ticked up to 1,869k in the week ending 7 February. The US trade deficit deteriorated to US\$70.3b in December, which is the worst outcome since mid-2025. The deterioration resulted from both exports declining by 1.7% and imports rising by 3.6%.

Across the Pacific, the annual rate of Japanese consumer price inflation dropped by 0.6ppts to 1.5% in January, which is the lowest level since March 2022. Annual 'core-core' inflation, which excludes fresh food and energy, declined to 2.6%, an 11-month low but still above the Bank of Japan's 2% inflation target.

In Australia, [employment](#) rose a seasonally adjusted 17.8k, roughly in line with market expectations of a 20.0k. The seasonally adjusted unemployment rate unexpectedly remained steady at 4.1%. Changes in seasonal patterns make it a bit harder to interpret data at this time of the year. Looking through temporary factors, trend employment picked up by 24.7k, while the unemployment rate declined to a nine-month low of 4.1%.

The Australian S&P Global composite PMI fell by 3.7pts to 52.0 in February (above 50 = expansion). The pace of expansion slowed in both services (-4.1pts to 52.2) and manufacturing (-0.8pts to 51.5). The details suggested that the expansion was driven by domestic rather than external demand. The release also noted that private sector employment rose by the most in around a year in February, while cost and price inflation was the highest since September.

### Economic Data Review

- **AU:** Employment (monthly change, Jan) – Actual 17.8k, Expected 20.0k, Previous 68.5k (revised).
- **AU:** Unemployment Rate (Jan) – Actual 4.1%, Expected 4.2%, Previous 4.1%.
- **AU:** S&P Global Composite PMI (Jan) – Actual 52.0, Previous 55.7.
- **JP:** CPI (YoY, Jan) – Actual 1.5%, Expected 1.6%, Previous 2.1%.
- **US:** Initial Jobless Claims (w/e 14 Feb) – Actual 206k, Expected 225k, Previous 227k.

### Economic Data Preview

- **JP:** S&P Global Composite PMI (Jan) – Previous 53.1.
- **EZ:** HCOB Composite PMI (Jan) – Expected 51.5, Previous 51.3.
- **US:** Personal Spending (MoM, Jan) – Expected 0.3%, Previous 0.5%.
- **US:** PCE Price Index (MoM, Jan) – Expected 0.3%, Previous 0.2%.
- **US:** GDP (QoQ annualised, Q4, prelim.) – Expected 3.0%, Previous 4.4%.
- **US:** S&P Global Composite PMI (Jan) – Expected 53.0, Previous 53.0.