

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6414	0.1%	WTI Crude Oil	80.14	\$1.14
90-day Bill	4.15	-1	AUD/JPY	93.46	-0.3%	Brent Crude Oil	83.82	\$0.73
3-year Bond	3.94	-1	AUD/EUR	0.5896	0.1%	Mogas95*	100.52	-\$2.72
10-year Bond	4.31	4	AUD/GBP	0.5029	-0.1%	CRB Index	274.39	0.93
			AUD/NZD	1.0814	-0.1%	Gold	1892.28	\$0.07
			AUD/CNY	4.6605	-0.6%	Silver	22.76	\$0.35
US			EUR/USD	1.0877	0.1%	Iron Ore (62% Fe)**	106.30	\$5.25
2-year	4.93	-5	USD/JPY	145.72	-0.4%	Iron Ore (23-24 Average)	107.35	\$0.07
10-year	4.28	0	USD/CNY	7.2866	-0.2%	Copper	8235.50	\$68.50
			RBA Policy			Equities		
			O/N Cash Rate Target		4.10	ASX200	7139	14
			Interbank O/N Cash Rate		4.07	Dow Jones	34475	-291
Other 10-year			Probability of a 25bps Hike in Sep		4.8%	S&P500	4370	-34
Japan	0.65	1	RBA Bond Holdings (31 Jul)		A\$337.0b	Stoxx600	451	-4
Germany	2.71	6				CSI300	3831	13
UK	4.75	10						

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

**Iron ore is the second SGX futures contract.

US stock indices continued to decline during a choppy session on Thursday, following losses in Europe and mixed results in Asia. US Treasury yields fell at the front end of the yield curve, while 10-year yields are hovering around the highest levels since late 2007.

Data releases yesterday were mixed. US initial jobless claims declined to 239k last week, though from an upwardly revised level from week ending 5 August, while continued claims picked up to the highest level since early July. The Philadelphia Fed index, illustrating manufacturing activity in the Fed district, unexpectedly turned positive in August.

In China, the troubled shadow banking giant Zhongzhi Enterprise Group is reportedly planning a debt restructure. This morning saw news that Evergrande Group filed for Chapter 15 bankruptcy protection in New York. The Chinese stock market rose 0.3% yesterday thanks to a late afternoon rebound. However, this followed four consecutive days of declines.

The annual rate of Japanese CPI inflation remained at 3.3% in July, in line with expectations, while the so-called 'core-core' inflation rose back to a 40-year high of 4.3%.

Across the Tasman, RBNZ Governor Adrian Orr said the Kiwi economy needed to slow down or even enter recession for the central bank to be comfortable enough that inflation will return to the target range and to start considering interest rate cuts. He expressed confidence that inflation will reach the target band if the official cash rate is held at the current level for long enough.

In Australia, **employment** unexpected fell by 14.6k in July, against the market expectations for a 15.0k gain, driven by a 24.2k drop in full-time jobs. The unemployment rate rose by 0.2ppts to the still low 3.7%. The slightly weaker labour force survey results for July came after two months of solid employment gains and, according to the ABS, could have been distorted by the impacts of the winter school holidays.

Following the negative surprise to the employment figures, RBA cash rate expectations declined, but there is still around a 25% probability of a 25bps hike by the end of 2023. 3-year Commonwealth bond yields also fell, though mainly during the US session, while 10-year yields picked up. The AUD/USD pair dropped below US\$0.64 after the labour force report but recovered back above this mark overnight. However, the AUD is still weaker against the Japanese yen and British pound.

ECONOMIC DATA REVIEW

- **AU:** Employment (monthly change, Jul) – Actual -14.6k, Expected 15.0k, Previous 31.6k (revised).
- **AU:** Unemployment Rate (Jul) – Actual 3.7%, Expected 3.6%, Previous 3.5%.
- **JP:** CPI (YoY, Jul) – Actual 3.3%, Expected 3.3%, Previous 3.3%.
- **US:** Initial Jobless Claims (w/e 12 Aug) – Actual 239k, Expected 240k, Previous 250k (revised).

ECONOMIC DATA PREVIEW

No market-moving data.

Disclaimer

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