

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6522	0.5%	WTI Crude Oil	83.89	\$0.43
90-day Bill	4.41	4	AUD/JPY	101.51	1.1%	Brent Crude Oil	89.35	\$0.84
3-year Bond	4.14	25	AUD/EUR	0.6082	0.3%	Mogas95*	105.50	\$1.30
10-year Bond	4.54	23	AUD/GBP	0.5216	0.1%	CRB Index	297.66	0.12
			AUD/NZD	1.0942	0.1%	Gold	2329.79	\$7.65
			AUD/CNY	4.7158	0.3%	Silver	27.33	\$0.08
US			EUR/USD	1.0726	0.2%	Iron Ore (62% Fe)**	117.00	\$2.75
2-year	5.00	8	USD/JPY	155.63	0.5%	Iron Ore (23-24 Average)	119.00	\$0.01
10-year	4.70	10	USD/CNY	7.2399	-0.1%	Copper	9865.00	\$158.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7589	-132
			Interbank O/N Cash Rate	4.32		Dow Jones	38086	-418
Other 10-year			Probability of a 25bps Hike in May	2.6%		S&P500	5048	-22
Japan	0.93	5	RBA Bond Holdings (29 Mar)	A\$335.5b		Stoxx600	502	-5
Germany	2.63	13				CSI300	3530	24
UK	4.36	12						

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

**Iron ore is the second SGX futures contract.

Changes are from Wednesday morning, 8.30am AWST.

Wall Street has had a choppy couple of days, with mixed trade on Wednesday night, followed by a strong drop at the open overnight and a subsequent partial recovery. The initial weakness during the overnight session was due to weaker-than-expected US Q1 GDP figures and the upside surprise to US Q1 PCE inflation. This combination saw US Treasury yields rise across the yield curve.

The AUD appreciated over the past two days, mainly thanks to the upside surprise to the Aussie CPI inflation figures, which triggered a fall in the probability of a cut this year from 90% just 30%. However, the disappointing US data dragged on global market sentiment, limiting the scale of appreciation. Commonwealth bond yields surged following the strong inflation data. The ASX 200 closed flat on Wednesday, before opening 1.3% lower this morning.

US GDP rose by an annualised 1.6% in Q1, well below market expectations of 2.5% and the previous quarter's outcome of 3.4%, as a faster rise in residential investment was offset by a slower rise in personal consumption, and significantly slower growth in government spending as well as a negative contribution of net exports and inventories.

US PCE inflation surged 1.6ppts to an annualised 3.4% QoQ in Q1, the highest in a year, while core inflation bounced 1.7ppts to an annualised 3.7% QoQ (mkt exp.3.4%).

US durable goods orders rose 2.6% in March, but capital goods orders excluding defence and aircraft rose 0.2%.

The [Aussie CPI](#) rose by 1.0% in Q1, somewhat more than the 0.8% pencilled in by consensus and the 0.6% registered in Q4 2023. The annual rate of consumer price inflation fell 0.5ppts to 3.6% (mkt exp. 3.5%). Annual trimmed mean inflation, which is the RBA's favourite underlying inflation gauge, declined 0.2ppts to 4.0%, while market expectations were for a slightly stronger decline, to 3.8%. The upside surprise to the Q1 inflation figures was largely due to a strong rise in health and education costs as well as further solid increases in rents and insurance premiums. The monthly CPI indicator suggested that annual headline and trimmed mean inflation rates picked up by 0.1ppts in March, to 3.5% and 4.0%, respectively.

ECONOMIC DATA REVIEW

- **AU:** CPI (QoQ, Q1) – Actual 1.0%, Expected 0.8%, Previous 0.6%.
- **AU:** Monthly CPI Indicator (YoY, Mar) – Actual 3.5%, Expected 3.4%, Previous 3.4%.
- **US:** Durable Goods Orders (MoM, Mar) – Actual 2.6%, Expected 2.5%, Previous 0.7% (revised).
- **US:** GDP (QoQ Annualised, Q1, prelim. est.) – Actual 1.6%, Expected 2.5%, Previous 3.4%.

ECONOMIC DATA PREVIEW

- **AU:** Export Price Index (QoQ, Q1) – Expected -0.6%, Previous 5.6%.
- **AU:** Import Price Index (QoQ, Q1) – Expected 0.1%, Previous 1.1%.
- **AU:** PPI (QoQ, Q1) – Previous 0.9%.
- **JP:** Bank of Japan (Policy Balance Rate) – Expected 0.00%, Previous 0.00%.
- **US:** Personal Spending (MoM, Mar) – Expected 0.6%, Previous 0.8%.
- **US:** PCE Price Index (MoM, Mar) – Expected 0.3%, Previous 0.3%.

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