

Interest Rates				FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6454	0.0%	WTI Crude Oil	57.77	-\$0.81	
	90-day Bill	3.65	0	AUD/JPY	101.17	-0.4%	Brent Crude Oil	62.25	-\$1.13
	3-year Bond	3.75	1	AUD/EUR	0.5609	0.3%	Mogas95*	76.10	-\$0.57
	10-year Bond	4.46	2	AUD/GBP	0.4931	0.0%	CRB Index	295.58	-2.04
			AUD/NZD	1.1511	-0.3%	Gold	4064.08	-\$11.32	
			AUD/CNY	4.5854	0.0%	Silver	50.08	-\$0.65	
US			EUR/USD	1.1506	-0.2%	Iron Ore (62% Fe)**	104.10	-\$0.15	
	2-year	3.51	-4	USD/JPY	156.76	-0.5%	Iron Ore (25-26 Average)	103.05	\$0.01
	10-year	4.06	-3	USD/CNY	7.1052	-0.2%	Copper	10777.50	\$39.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.60	ASX200	8497	53	
			Interbank O/N Cash Rate		3.60	Dow Jones	46245	493	
	Japan	1.78	-2	Probability of a 25bps Cut in Dec		8.5%	S&P500	6603	64
	Germany	2.70	-1	RBA Bond Holdings (31 Oct)		A\$272.1b	Stoxx600	562	-2
	UK	4.55	-4				CSI300	4454	-111

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

**Iron ore is the second SGX futures contract.

US stocks bounced back on Friday, as risk sentiment improved after dovish Fedspeak increased hopes for FOMC monetary policy easing. US Treasury yields declined, but the US dollar appreciated a bit further. In addition, the market received a short-term boost from reports of early talks among US officials on whether to allow Nvidia to sell some of its artificial intelligence chips to China.

Speaking on Friday, New York Fed Chair John Williams said that he saw a case for a fed funds rate cut in the 'near term' to move monetary policy closer to neutral. Following these comments, the probability of a 25bps fed funds rate cut in December implied from futures jumped above 60% from just around 35%.

The ASX 200 started the week on the front foot after a 1.6% drop on Friday that concluded the worst week since April. The Australian dollar was steady against the stronger greenback, but depreciated versus the Japanese yen. Commonwealth bond yields rose slightly over the weekend.

Data-wise, the US S&P Global composite PMI rose by 0.2pts to 54.8 in November (above 50 = expansion), against market expectations of a 0.1pts decline. The improvement was driven by services (+0.2pts to 55.0), while growth in manufacturing slowed (-0.6pts to 51.9).

The details of the US S&P Global PMI report pointed to the second strongest rise in new orders since April 2022, one of the smallest gains in employment seen in a year and the fastest rise in input cost inflation in three years. However, competition restrained selling price inflation, helping it stay below the recent highs.

Elsewhere, S&P Global PMIs suggested a broadly steady pace of expansion in the euro area, but with renewed contraction in manufacturing and noticeable slowdown in Germany. The UK expansion slowed significantly more than expected, while growth in Japan accelerated somewhat.

The key domestic release [this week](#) will be the inaugural full monthly CPI data for October on Wednesday. Other releases of note include Q3 construction work done on Wednesday, Q3 private sector capex on Thursday, and October private sector credit on Friday.

Highlights offshore will be mainly tomorrow night and will include the US PPI for September and US Conference Board consumer confidence for November. However, this week could see more releases rescheduled due to the recently concluded US Government shutdown. The RBNZ is expected to deliver another cash rate cut on Wednesday.

Economic Data Review

- **JP:** S&P Global Composite PMI (Nov) – Actual 52.0, Previous 51.5.
- **EZ:** HCOB Composite PMI (Nov) – Actual 52.4, Expected 52.5, Previous 52.5.
- **UK:** S&P Global Composite PMI (Nov) – Actual 50.5, Expected 51.8, Previous 52.2.
- **US:** S&P Global Composite PMI (Nov) – Actual 54.8, Expected 54.5, Previous 54.6.

Economic Data Preview

No market-moving data.