

Interest Rates (%)			FX			Commodities US\$				
Australia	Δ bp		AUD/USD	0.6329	0.8%	WTI Crude Oil	67.68	\$0.95		
		90-day Bill	4.11	0	AUD/JPY	94.01	1.1%	Brent Crude Oil	71.06	\$1.03
		3-year Bond	3.76	1	AUD/EUR	0.5814	0.4%	Mogas95*	80.02	\$0.84
		10-year Bond	4.40	1	AUD/GBP	0.4893	0.9%	CRB Index	302.67	-0.34
				AUD/NZD	1.0996	-0.2%	Gold	2993.50	\$7.93	
				AUD/CNY	4.5769	0.5%	Silver	33.83	\$0.09	
US			EUR/USD	1.0884	0.3%	Iron Ore (62% Fe)**	102.25	-\$0.10		
		2-year	4.02	6	USD/JPY	148.55	0.3%	Iron Ore (24-25 Average)	102.02	\$0.01
		10-year	4.31	3	USD/CNY	7.2374	-0.1%	Copper	9780.50	-\$3.00
				RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		4.10	ASX200	7852	65		
			Interbank O/N Cash Rate		4.09	Dow Jones	41488	675		
			Probability of a 25bps Cut in Apr		10.3%	S&P500	5639	117		
			RBA Bond Holdings (28 Feb)		A\$297.6b	Stoxx600	547	6		
						CSI300	4007	95		

\*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 amid dip buying on Friday, but this was not enough to prevent another weekly loss on Wall Street. The benchmark S&P 500 rose by 0.5% but was down 2.0% for the week. The Friday rebound was partly helped by news that a US government shutdown was averted, at least for the following six months, as the US Senate approved the funding bill just hours before the deadline.

US Treasury yields climbed, however, as another rise in consumer inflation expectations resulted in fed funds rate cut expectations being pushed back from June to July. The US dollar depreciated, to also approach its 2025 lows.

At home, Commonwealth bond yields are only slightly higher than Friday morning levels. The ASX 200 saw its fourth weekly loss in a row, despite a 0.5% gain on Friday. The Aussie share market followed the Wall Street's lead and opened higher again this morning. The improved global market sentiment supported the Australian dollar, which appreciated against all the major currencies, with the AUD/USD back above the US\$0.63 mark.

In commodity markets, the gold price rose briefly above US\$3,000 an ounce, before falling back. Oil prices picked up a little further but remained close to six-month lows. Iron ore futures ebbed by 0.1%.

The preliminary estimate of the University of Michigan consumer sentiment index dropped by 10.5% to just 57.9 in March, which is the weakest level since November 2022. The expectations component saw a particularly strong plunge of 15.3% to 64.0. One-year inflation expectations surged by another 0.6ppts to 4.9%, the highest since late 2022. Five- to ten-year inflation expectations, which are more relevant to monetary policy outlook, rose by further 0.4ppts, to reach an over 32-year high of 3.9%.

Across the Atlantic, UK monthly GDP unexpectedly ebbed by 0.1% in January, dragged down by lower industrial production (-0.9%) and, to a lesser extent, construction activity (-0.2%), while services ticked up by 0.1%. Bank of England – Ipsos one-year consumer inflation expectations rose 0.4ppts to a six-month high of 3.4% in February.

It will be a very quiet week at home, with the February labour force survey results on Thursday being the only potentially market-moving data release. The key event offshore will be the FOMC decision on Wednesday night. No changes are expected, but the Fed will release updated forecasts, including projections of the fed funds rate. Other highlights include US retail sales and industrial production for February, as well as the Chinese economic activity data for the first two months of 2025 due this morning.

### Economic Data Review

- **UK:** Monthly GDP (MoM, Jan) – Actual -0.1%, Expected 0.1%, Previous 0.4%.
- **US:** University of Michigan Consumer Sentiment (Mar, Preliminary) – Actual 57.9, Expected 63.0, Previous 64.7.

### Economic Data Preview

- **CH:** Retail Sales (YoY, Jan-Feb) – Expected 3.8%.
- **CH:** Industrial Production (YoY, Jan-Feb) – Expected 5.3%.
- **CH:** Urban Fixed Asset Investment (YoY, Jan-Feb) – Expected 3.2%.
- **US:** Retail Sales (MoM, Feb) – Expected 0.6%, Previous -0.9%.