

Interest Rates			FX			Commodities		
Australia		△ bp	AUD/USD	0.6682	0.0%	WTI Crude Oil	60.85	-\$0.27
90-day Bill	3.73	-1	AUD/JPY	105.93	-0.4%	Brent Crude Oil	66.52	\$1.05
3-year Bond	4.07	-5	AUD/EUR	0.5740	0.0%	Mogas95*	74.40	-\$0.19
10-year Bond	4.67	-7	AUD/GBP	0.4974	-0.1%	CRB Index	306.82	0.18
			AUD/NZD	1.1637	-0.1%	Gold	4616.82	\$12.81
			AUD/CNY	4.6569	-0.1%	Silver	92.81	\$5.00
US			EUR/USD	1.1641	0.0%	Iron Ore (62% Fe)**	107.50	-\$1.05
2-year	3.51	-1	USD/JPY	158.52	-0.4%	Iron Ore (25-26 Average)	103.57	\$0.02
10-year	4.13	-4	USD/CNY	6.9729	-0.1%	Copper	13188.50	\$24.50
RBA Policy			Equities					
Other 10-year			O/N Cash Rate Target	3.60		ASX200	8857	48
			Interbank O/N Cash Rate	3.60		Dow Jones	49150	-42
			Probability of a 25bps Hike in Feb	22.4%		S&P500	6927	-37
			RBA Bond Holdings (31 Dec)	A\$250.2b		Stoxx600	612	1
Japan	2.15	-2				CSI300	4742	-19
Germany	2.81	-3						
UK	4.34	-6						

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

**Iron ore is the second SGX futures contract.

It was another negative day for US equities, with shares sliding among some of the biggest names in tech, with the so-called magnificent seven (which appears to be eight stocks) mainly posting big losses. The broader market had a better session, with 318 of the 503 members of the S&P 500 rising. However, there was a risk-off element to trade, with bond yields falling in the US and Europe, while gold has hit fresh record highs and silver has surged another 5% since this time yesterday. Silver has added almost 30% in the first two weeks of 2026.

Aussie equities rose for the third day in a row yesterday, with the ASX 200 adding 0.1%. The index is higher again in early trade this morning. Commonwealth bond yields opened lower this morning. The AUD is almost unchanged against the greenback but has slipped against the Japanese yen which steadied after recent sharp falls.

Oil markets remain on edged despite the US President pulled back on recent comments regarding US intervention in Iran, saying he'd had assurances the regime would stop killing protestors.

The US final demand producer price index (PPI) rose a seasonally adjusted 0.2% in November after a 0.1% increase in October, with annual PPI inflation climbing 0.2pppts to 3.0%. The core PPI (ex. food, energy and trade) was also up 0.2% in the month, with annual core PPI inflation rising 0.1pppts to an eight month high of 3.5% YoY. The trade PPI – which measures retail and wholesale margins – fell 0.8% for the second month in a row, to be up 1.0% YoY. However, it was down an annualised 2.9% between May and November, suggesting that US businesses are absorbing at least some price increases from higher tariffs rather than passing them on to customers.

US retail sales rose 0.6% in November, after a 0.1% fall in October (revised from 0.0%). The retail control measure – which is used as an input to the personal consumption spending figures in GDP – rose 0.4% after a 0.6% increase in October. The numbers suggest US consumer spending remained solid in Q4.

China's trade surplus widened to US\$114.1b in December from US\$111.7b in November. Exports rose 8.4% in the month in US dollar terms (+6.6% YoY), while imports rose 11.5% (+5.7% YoY). Exports to the US were down 20% in 2025 compared to 2024, while there were solid increases in shipments to Asia and Europe. Exports to Australia rose 7.9% in 2025. China's imports from the US were down 14.6% in 2025. Imports from the EU were marginally lower, while deliveries from Australia fell 7.5%. Imports of iron ore hit a fresh record high of 119.6 million tonnes in December, while annual imports of almost 1.3 billion tonnes also a record.

Australian job vacancies fell a seasonally adjusted 0.2% in Q4 2025, following a 2.7% decline in Q3, to be down 5.1% YoY. Private job vacancies fell 0.5% in the quarter, while public sector job openings rose 1.8%. Victoria saw the biggest quarterly rise of the states with 7.0% (unadjusted), followed by Western Australia with 6.4%.

Economic Data Review

- **AU:** Job Vacancies (QoQ, Q4) – Actual -0.2%, Previous -2.7%.
- **CH:** Trade Balance (Dec) – Actual US\$114.1b, Expected US\$114.4b, Previous US\$111.7b
- **US:** PPI (YoY, Nov) – Actual 3.0%, Expected 2.7%, Previous 2.8%.
- **US:** Retail Sales (MoM, Nov) – Actual 0.6%, Expected 0.5%, Previous -0.1% (revised).

Economic Data Preview

- **US:** Weekly Initial Jobless Claims (w/e, 10 Jan) – Expected 215k, Previous 208k.