

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7163	0.5%	WTI Crude Oil	88.37	-\$2.02
90-day Bill	4.44	0	AUD/JPY	114.09	0.3%	Brent Crude Oil	93.71	-\$2.44
3-year Bond	4.49	-4	AUD/EUR	0.6147	0.2%	Mogas95*	113.48	-\$0.78
10-year Bond	4.85	-6	AUD/GBP	0.5328	0.3%	CRB Index	384.61	3.44
			AUD/NZD	1.2050	-0.3%	Gold	4490.81	\$45.00
			AUD/CNY	4.8534	0.3%	Silver	75.63	\$1.13
US			EUR/USD	1.1652	0.3%	Iron Ore (61% Fe)**	105.25	\$0.35
2-year	4.02	-4	USD/JPY	159.28	-0.2%	Iron Ore (25-26 Average)	103.95	\$0.01
10-year	4.45	-6	USD/CNY	6.7757	-0.1%	Copper	13701.50	\$170.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8593	-37
			Interbank O/N Cash Rate	4.35		Dow Jones	50669	25
Other 10-year			Probability of a 25bps Hike in Jun	0.0%		S&P500	7564	43
Japan	2.70	-2	RBA Bond Holdings (30 Apr)	A\$230.3b		Stoxx600	625	-3
Germany	2.96	-3				CSI300	4914	6
UK	4.81	-4						

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

**Iron ore is the second SGX futures contract.

News that the US and Iran had reportedly reached a peace deal lifted all three major US stock indices to fresh record highs last night. Oil prices fell further, with Brent futures falling to a new one-month low. Government bond yields dropped, additionally dragged down by a slight decline in fed funds rate hike expectations following a downside surprise to the US PCE inflation figures and a slight downward revision to US GDP figures.

According to reports by Axios, the US and Iran have reached an agreement on a 60-day memorandum of understanding to extend the ceasefire, re-open the Strait of Hormuz and continue negotiations focusing on Iran's nuclear program. However, according to the website news outlet, US President Donald Trump is yet to sign off on the deal and has asked for a few days to consider. US Vice President JD Vance confirmed that the US is 'not there yet' on the deal with Iran.

The gains on Wall Street followed losses in Europe and most of the Asia-Pacific region, which were a reaction to the re-escalation of the conflict between the US and Iran. The ASX 200 dropped by 1.4% yesterday, but open in black this morning. Commonwealth bond yields declined in line with their US equivalents, while the AUD appreciated.

Data-wise, the US PCE price index rose by 0.4% in April, slightly less than the 0.5% pencilled in by consensus and the 0.7% gain registered in March. Core PCE price index growth also surprised to the downside in April, with a 0.2% increase against market expectations of a 0.3% increase. However, the annual rates of headline and core PCE inflation picked up to 3.8% and 3.3%, respectively, drifting further away from the Fed's goal of 2%.

US personal spending growth halved in April, to 0.5% in nominal terms, while coming to a virtual halt in real terms, with just a 0.1% gain. US durable goods orders surged by 7.9%, a rise unseen since May 2025, but core capital goods orders – which exclude the volatile defence and aircraft orders – declined by 1.1%, the most in exactly a year.

The Q1 estimate of US GDP annualised growth was revised slightly downwards to 1.6% from 2.0%, reflecting mainly a lower contribution from changes in inventories, and – to a much lesser extent – slower growth in private consumption.

From second-tier releases, US initial jobless claims were little changed at 215k last week, as were continued claims in the week ending 16 May.

At home, [nominal household spending](#) fell by 1.1% in April, more than twice the 0.5% fall expected by markets, reflecting primarily the impacts of the fuel excise cut, though most spending categories saw a decline.

Aussie private sector capex surged by 6.5% in Q1, the most in 14 years, reflecting an 18.1% surge in equipment and machinery amid investment in data centres, partly offset by a 3.8% fall in buildings and structures.

Economic Data Review

- **AU:** Household Spending Indicator (MoM, Apr) – Actual -1.1%, Expected -0.5%, Previous 1.6%.
- **AU:** Private Sector Capex (QoQ, Q1) – Actual 6.5%, Expected 1.0%, Previous 0.7% (revised).
- **US:** PCE Price Index (MoM, Apr) – Actual 0.4%, Expected 0.5%, Previous 0.7%.
- **US:** Durable Goods Orders (MoM, Apr) – Actual 7.9%, Expected 4.0%, Previous 1.3% (revised).
- **US:** GDP (QoQ annualised, Q1, 2nd estimate) – Actual 1.6%, Expected 2.0%, Previous 2.0%.

Economic Data Preview

- **AU:** Private Sector Credit (MoM, Apr) – Expected -0.5%, Previous 1.6%.
- **CH:** NBS Composite PMI (May) – Previous 50.1.