

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7029	-1.1%	WTI Crude Oil	99.11	\$3.20
90-day Bill	4.27	1	AUD/JPY	112.34	-0.5%	Brent Crude Oil	107.38	\$3.96
3-year Bond	4.60	8	AUD/EUR	0.6132	-0.5%	Mogas95*	138.21	\$8.13
10-year Bond	4.96	5	AUD/GBP	0.5300	-0.4%	CRB Index	364.51	0.11
			AUD/NZD	1.2131	0.0%	Gold	4836.38	-\$172.18
			AUD/CNY	4.8569	-0.7%	Silver	75.88	-\$3.56
US			EUR/USD	1.1462	-0.7%	Iron Ore (61% Fe)**	107.00	-\$1.20
2-year	3.78	10	USD/JPY	159.82	0.6%	Iron Ore (25-26 Average)	103.10	\$0.02
10-year	4.27	6	USD/CNY	6.8878	0.0%	Copper	12395.50	-\$379.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8504	-99
			Interbank O/N Cash Rate	4.10		Dow Jones	46225	-768
Other 10-year			Probability of a 25bps Hike in May	64.4%		S&P500	6625	-91
Japan	2.26	0	RBA Bond Holdings (27 Feb)	A\$250.0b		Stoxx600	598	-5
Germany	2.94	3				CSI300	4658	21
UK	4.74	4						

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

**Iron ore is the second SGX futures contract.

Global stocks resumed their decline last night, while fossil fuel prices rose further, as investors remained concerned about the implications of more attacks on energy facilities in the Middle East. This came as the Iranian Revolutionary Guards said that they will retaliate following the strike on the South Pars gas field, which is part of the largest deposit in the world.

As expected, the FOMC left the fed funds rate target range unchanged at 3.50-3.75% last night. The post-meeting statement and press conference both stressed the high degree of uncertainty, with another layer added by the conflict in the Middle East.

The Fed has also released updated economic projections, with the inflation forecast for 2026 revised upward and little change for the following years. The median of the interest rate projections of individual FOMC participants was also unchanged, but there was less discrepancy among the FOMC members than in December.

Fed funds rate cut expectations were trimmed further overnight, with a 25 basis point cut only about 60% priced in at the time of writing. US government bond yields rose across the yield curve, with stronger increases at shorter maturities.

Meanwhile, the US PPI report for February, which predated the escalation of the Middle Eastern conflict, showed a 0.7% MoM increase in the headline index and 0.5% MoM in the core index, both above the consensus and the results from the previous month. Annual rates of producer price inflation rose to 3.4% and 3.5%, respectively.

New Zealand GDP rose by 0.2% in Q4 2025, while the annual rate of growth remained at 1.3%. This was below market expectations of 0.5% QoQ and 1.3% YoY. The Q3 2025 results were also revised downward.

In Australia, internet job vacancies fell by 5.0% in February, after rising by 4.6% in the previous month, leaving them virtually unchanged through the year but still 28.0% above pre-COVID levels. The February decline was broad-based across skill levels and major occupations. The full labour force data for February will be released later this morning.

The weaker global market sentiment weighed on the Australian dollar overnight, while Commonwealth bond yields rose less than their US equivalents. The ASX 200 opened in the deep red this morning, after rising by 0.3% yesterday.

Economic Data Review

- **AU:** Internet Job Vacancies (MoM, Feb) – Actual -5.0%, Previous 4.6%.
- **NZ:** GDP (QoQ, Q4) – Actual 0.2%, Expected 0.5%, Previous 0.9% (revised).
- **US:** PPI (MoM, Feb) – Actual 0.7%, Expected 0.3%, Previous 0.5%.

Economic Data Preview

- **AU:** Employment (monthly change, Feb) – Expected 20.0k, Previous 17.8k.
- **AU:** Unemployment Rate (Feb) – Expected 4.1%, Previous 4.1%.
- **JP:** Bank of Japan Decision (Policy Rate) – Expected 0.75%, Previous 0.75%.
- **EZ:** ECB Decision (Deposit Rate) – Expected 2.00%, Previous 2.00%.
- **UK:** Bank of England Decision (Bank Rate) – Expected 3.75%, Previous 3.75%.
- **US:** Initial Jobless Claims (w/e 14 Mar) – Expected 215k, Previous 213k.