

Interest Rates (%)			FX			Commodities US\$			
Australia		Δ bp	AUD/USD	0.6587	0.3%	WTI Crude Oil	68.51	\$1.69	
	90-day Bill	3.72	-1	AUD/JPY	96.89	0.8%	Brent Crude Oil	70.44	\$1.61
	3-year Bond	3.47	2	AUD/EUR	0.5635	0.2%	Mogas95*	79.33	\$0.54
	10-year Bond	4.36	5	AUD/GBP	0.4878	0.7%	CRB Index	303.52	3.15
			AUD/NZD	1.0953	0.3%	Gold	3371.28	\$39.56	
US			AUD/CNY	4.7183	-0.2%	Silver	38.56	\$1.47	
			EUR/USD	1.1688	0.1%	Iron Ore (62% Fe)**	99.55	\$0.50	
	2-year	3.88	2	USD/JPY	147.10	0.5%	Iron Ore (25-26 Average)	96.58	\$0.40
	10-year	4.42	8	USD/CNY	7.1701	-0.1%	Copper	9660.50	-\$40.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.85	ASX200	8566	-13	
			Interbank O/N Cash Rate		3.84	Dow Jones	44372	-279	
	Japan	1.54	5	Probability of a 25bps Cut in Aug		91.4%	S&P500	6260	-21
	Germany	2.73	2	RBA Bond Holdings (30 Jun)		A\$276.4b	Stoxx600	547	-6
	UK	4.62	3				CSI300	4015	5

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

\*\*Iron ore is the second SGX futures contract.

US stocks retreated on Friday, while Treasury yields climbed and the greenback depreciated, in reaction to US President Donald Trump announcing more tariff measures.

Apart from declaring a 10bps tariff rate hike to 35% for Canada in a letter on [Friday morning](#) (AWST), President Trump also hinted in an interview that he could set 15-20% blanket tariff rates for most trading partners, compared to the current baseline rate of 10%.

President Trump also sent tariff letters to Mexico and the European Union over the weekend, announcing 30% tariff rates for both economies. A silver lining is that trade with Mexico and Canada compliant with USMCA treaty would continue to be exempt from tariffs.

The tariff news saw the gold price increase to just 1.7% off its record high from mid-June. Iron ore futures rose a little further, to be the highest since mid-May. Oil prices continued to climb on speculation of tighter sanctions on Russian oil exports. In addition, the International Energy Agency warned of seasonal market tightening during the northern summer. OPEC's World Oil Outlook 2050 report painted an optimistic picture on long-term demand for oil, driven by India as well as the Middle East and Africa.

The rise in commodity prices, along with rumours of stimulus measures in China, supported the Australian dollar, which appreciated against all major currencies. Commonwealth bond yields rose, albeit less sharply than their US equivalents. The ASX 200 lost 0.1% on Friday, with materials being the only sector to register a gain thanks to higher iron ore prices. The Aussie share market opened slightly lower this morning.

Data-wise, UK GDP saw a decline of 0.1% in May, following a 0.3% fall in the previous month and missing market expectations of a 0.1% gain, as suggested by PMI reports. The May decline was caused by a 0.9% drop in industrial production and a 0.6% decline in construction activity (market expectations: -0.1% and +0.2%, respectively), while services activity picked up by 0.1% (in line with the market consensus). Market commentators pointed to tariffs as the major source of weakness, affecting manufacturing in industries such as automobiles and the pharmaceutical industry.

The key domestic highlights [this week](#) will be Westpac-Melbourne Institute consumer sentiment for July tomorrow, and the labour force survey for June on Thursday. The key releases offshore will include Chinese Q2 GDP, June activity data and June trade data as well as US inflation, retail sales and industrial production for June.

## Economic Data Review

- **UK:** Monthly GDP (MoM, May) – Actual -0.1%, Expected 0.1%, Previous -0.3%.

## Economic Data Preview

- **CH:** Trade Balance (Jun) – Expected US\$113b, Previous US\$103b.