

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6404	-0.5%	WTI Crude Oil	61.82	-\$0.37
	90-day Bill	3.80	AUD/JPY	92.93	-1.2%	Brent Crude Oil	64.73	-\$0.44
	3-year Bond	3.59	AUD/EUR	0.5717	-0.5%	Mogas95*	75.90	-\$0.03
	10-year Bond	4.46	AUD/GBP	0.4810	-0.8%	CRB Index	295.86	-2.55
<b>US</b>			AUD/NZD	1.0903	0.0%	Gold	3236.49	\$47.47
	2-year	3.94	AUD/CNY	4.6167	-0.4%	Silver	32.59	\$0.35
	10-year	4.42	EUR/USD	1.1202	0.1%	Iron Ore (62% Fe)**	100.40	-\$0.80
			USD/JPY	145.11	-0.8%	Iron Ore (24-25 Average)	101.48	-\$0.01
<b>Other 10-year</b>			USD/CNY	7.2074	0.0%	Copper	9577.00	-\$29.50
			<b>RBA Policy</b>			<b>Equities</b>		
			O/N Cash Rate Target	4.10		ASX200	8383	109
			Interbank O/N Cash Rate	4.09		Dow Jones	42323	272
Japan	1.48	0	Probability of a 25bps Cut in May	95.8%		S&P500	5917	24
Germany	2.62	-8	RBA Bond Holdings (30 Apr)	A\$276.9b		Stoxx600	547	3
UK	4.66	-5				CSI300	3907	-36

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

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

US equities fell early in the overnight session as US retail sales disappointed expectations, adding to concerns about the economic outlook. However, the market recovered its early losses as traders moved their focus to the soft producer price index. The weaker PPI also helped push US Treasury yields lower as traders increased their bets on Fed rate cuts, with 50bps now fully priced in by the end of the year.

The Australian dollar lifted following a strong domestic labour market report yesterday, peaking at US\$0.6458 before falling back. The AUD also slipped against the other major currencies, particularly the stronger Japanese yen. Aussie bond yields picked up after the employment numbers before edging down again and opened lower again this morning. The market remains almost fully priced for a 25bps cash rate cut from the RBA next week, and traders continue to anticipate 75bps of cuts by the end of the year.

Oil prices slipped as US economic activity data was weaker than expected, while President Trump said the US and Iran are moving toward a deal on Tehran's nuclear program. Gold prices rose along with other safe-haven assets.

The headline US producer price index fell a seasonally adjusted 0.5% in April (mkt exp 0.2%), its biggest monthly fall in five years, with annual growth falling to a seven-month low of 2.4% YoY. The core PPI (ex. food, energy, and trade) fell 0.1% and the annual rate slipped to 2.9%, its lowest level in 13 months. The April inflation numbers are too early to capture the impact of President Trump's broad increases in import tariffs in early April.

US retail sales gained 0.1% (mkt exp 0.0%) in April after a strong 1.7% rise in March. However, it was a 0.2% fall in the control group, suggesting a soft start to US consumer spending in Q2, that grabbed the attention of traders. US industrial production was also a little softer than expected, with manufacturing output sliding for the first time in six months.

Western Australian [employment](#) increased a strong 89.0k in seasonally adjusted terms in April (mkt exp 22.5k), following a 36.4k increase in March. However, the unemployment rate was steady at 4.1% as the increase in employment was matched by a 0.5ppts increase in the participation rate to 67.1%, just short of the all-time high of 67.2% in January. Western Australian employment slipped 2.8k in the month, and the unemployment rate rose 0.5ppts to 4.2%. However, the state numbers can be volatile. The trend unemployment rate rose 0.1ppt to 3.8%. The Western Australian labour force participation rate of 69.0% and employment to population ratio of 66.1% remain well above the national average.

### Economic Data Review

- **AU:** Employment (monthly change, Apr) – Actual 89.0k, Expected 22.5k, Previous 36.4k (revised).
- **AU:** Unemployment Rate (Apr) – Actual 4.1%, Expected 4.1%, Previous 4.1%.
- **AU:** Melbourne Institute Inflation Expectations (Apr) – Actual 4.1%, Previous 4.2%.
- **US:** Retail Sales (MoM, Apr) – Actual 0.1%, Expected 0.0%, Previous 1.7% (revised).
- **US:** Industrial Production (MoM, Apr) – Actual 0.0%, Expected 0.1%, Previous 0.4%.
- **US:** PPI (MoM, Apr) – Actual -0.5%, Expected 0.2%, Previous 0.0% (revised).

### Economic Data Preview

- **JP:** GDP (QoQ, Q1, Prel) – Expected -0.1%, Previous 0.6%.
- **US:** University of Michigan Consumer Sentiment Index (May, Prel) – Expected 53.4, Previous 52.2.