

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7064	1.0%	WTI Crude Oil	95.16	-\$4.74
90-day Bill	4.18	1	AUD/JPY	112.49	0.8%	Brent Crude Oil	101.81	-\$2.88
3-year Bond	4.55	-1	AUD/EUR	0.6147	0.4%	Mogas95*	125.29	\$5.33
10-year Bond	4.94	-3	AUD/GBP	0.5309	0.5%	CRB Index	359.72	-6.07
			AUD/NZD	1.2076	0.0%	Gold	5005.65	\$21.21
			AUD/CNY	4.8751	0.8%	Silver	80.58	\$0.93
US			EUR/USD	1.1492	0.5%	Iron Ore (61% Fe)**	107.35	\$1.40
2-year	3.68	-4	USD/JPY	159.25	-0.2%	Iron Ore (25-26 Average)	103.05	\$0.04
10-year	4.22	-5	USD/CNY	6.8906	-0.2%	Copper	12855.50	\$75.00
			RBA Policy			Equities		
			O/N Cash Rate Target	3.85		ASX200	8605	36
			Interbank O/N Cash Rate	3.85		Dow Jones	46946	388
Other 10-year			Probability of a 25bps Hike in Mar	66.4%		S&P500	6699	67
Japan	2.27	1	RBA Bond Holdings (27 Feb)	A\$250.0b		Stoxx600	598	3
Germany	2.95	-3				CSI300	4672	2
UK	4.77	-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 bounced last night, while oil prices and US Treasury yields fell, amid hopes that there is some possibility of a partial solution to the Strait of Hormuz crisis. There were press reports that India is talking with Iran about easing disruptions for its vessels in the Strait, and two Indian gas tankers appear to have been able to pass. Ships operating under Chinese, Turkish, and Pakistani flags were also previously reported to have crossed the Strait.

The S&P 500 picked up by 1.0% yesterday, while the tech-heavy Nasdaq rose by 1.2%. The gains on Wall Street followed increases in Europe and mixed results in the Asia-Pacific region. The ASX 200 lost another 0.4% yesterday, though results were mixed across the industries. The largest fall was recorded in materials, while consumer staples saw the largest gain. The Aussie share market opened slightly higher this morning.

Commonwealth bond yields fell less than their US equivalents ahead of the RBA decision later today. A 25bps cash rate hike is widely expected by the markets, though the decision is not as straightforward as implied by the market pricing. RBA Governor Michele Bullock's press conference will be as closely watched as the rate decision itself, as investors will be seeking further rate guidance.

The better global market sentiment and expectations of a rate hike from the RBA today helped the Australian dollar move higher against the major currencies. The AUD/USD is back above US\$0.70, following its appreciation against the weaker greenback.

Data-wise, US industrial production picked up by 0.2% in February, less than in the previous month, but marginally more than expected by the markets. Manufacturing also rose by 0.2% in February, while the January figures were revised upwards (to +0.8% from +0.6%).

Across the Pacific, Chinese economic activity data for the first two months of 2026 surprised to the upside. Industrial production continued to lead economic growth, with a 6.3% YoY YtD rise, while retail sales growth – at 2.8% YoY YtD – also proved slightly stronger than expected. Urban fixed asset investment saw an unexpected gain of 1.8% YoY YtD, though the pace of decline in property investment remained in double digits (-11.1% YoY YtD).

At home, the ANZ Roy Morgan consumer confidence dropped by 6.7% last week, reaching the lowest level since the height of the COVID-19 pandemic back in 2020. Consumer inflation expectations surged by 0.6 percentage points to 6.7%, the highest level since November 2022. These moves reflect concerns over the recent rise in petrol prices and their impact on the broader economy.

Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 14 Mar) – Actual 68.5, Previous 73.4.
- **CN:** Retail Sales (YoY YtD, Jan-Feb) – Actual 2.8%, Expected 2.5%.
- **CN:** Industrial Production (YoY YtD, Jan-Feb) – Actual 6.3%, Expected 5.3%.
- **CN:** Urban Fixed Asset Investment (YoY YtD, Jan-Feb) – Actual 1.8%, Expected -5.1%.
- **US:** Industrial Production (MoM, Feb) – Actual 0.2%, Expected 0.1%, Previous 0.7%.

Economic Data Preview

- **AU:** RBA Monetary Policy Board Decision (Cash Rate Target) – Actual 4.10%, Previous 3.85%.
- **AU:** Public Appearance by RBA Governor Michele Bullock.