

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6555	0.0%	WTI Crude Oil	78.09	\$0.89
90-day Bill	4.34	0	AUD/JPY	98.59	0.3%	Brent Crude Oil	83.03	\$0.69
3-year Bond	3.78	5	AUD/EUR	0.6057	-0.1%	Mogas95*	98.21	-\$1.48
10-year Bond	4.21	3	AUD/GBP	0.5186	-0.1%	CRB Index	274.01	3.25
			AUD/NZD	1.0597	-0.2%	Gold	2025.35	\$1.83
			AUD/CNY	4.7049	-0.2%	Silver	22.91	-\$0.08
US			EUR/USD	1.0822	0.1%	Iron Ore (62% Fe)**	120.10	\$0.80
2-year	4.66	5	USD/JPY	150.40	0.3%	Iron Ore (23-24 Average)	121.59	-\$0.01
10-year	4.32	4	USD/CNY	7.1912	0.0%	Copper	8542.00	\$42.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7609	-12
			Interbank O/N Cash Rate	4.32		Dow Jones	38612	48
			Probability of a 25bps Cut in Mar	6.2%		S&P500	4982	6
Other 10-year			RBA Bond Holdings (31 Jan)	A\$336.1b		Stoxx600	491	-1
Japan	0.74	0				CSI300	3457	46
Germany	2.45	8						
UK	4.10	6						

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

**Iron ore is the second SGX futures contract.

US shares were mixed yesterday, with the S&P 500 and Dow Jones closing higher after a late rally, while the tech-heavy Nasdaq closed in red. The Nvidia earnings results released after market close exceeded expectations. US Treasury yields picked up, after the FOMC minutes confirmed the Committee was in no rush to cut rates.

The Australian dollar is flat against the greenback and up versus the Japanese yen, but depreciated against the euro and British pound. Commonwealth bond yields followed their US equivalents higher, with the Q4 wage price index report having little market impact. The ASX 200 closed 0.7% lower yesterday, dragged down by a 4.3% drop in consumer staples.

The FOMC minutes unsurprisingly confirmed the wait-and-see stance assumed by the Committee members. The document assessed that US economic activity growth has been 'solid', inflation has eased but remains 'elevated' and job gains have 'moderated' but are still 'strong'. The members also stressed that the risks to inflation and employment are moving 'into better balance' but underscored that they remain 'attentive' to inflation risks.

Speaking last night, Richmond Fed President Thomas Barkin said that the upside surprise to the US January CPI confirmed persistent price pressures and made the FOMC's job 'harder'.

Across the Pacific, the Chinese share markets saw further gains after press reports that the Chinese banks had approved CNY123.6b (A\$26.3b) of loans for property projects. The CSI 300 closed 1.4% higher, while in Hong Kong the Hang Seng added 1.6%.

Iron ore futures picked up after strong declines earlier in the week. Oil prices have also pared some of Tuesday's losses.

From local data, the [wage price index](#) increased 0.9% in Q4, as expected, taking the annual rate of growth 0.1ppts higher to 4.2%. The wage gains were driven by enterprise agreements, including in the New South Wales and Queensland public sectors.

The Judo Bank composite PMI rose 2.8pts to 51.8 in February (above 50 = expansion), signalling renewed growth in the Aussie private sector. The expansion was driven by services, while manufacturing slipped back into contraction. The details of the report pointed to a rise in employment, as well as faster growth in prices and costs.

ECONOMIC DATA REVIEW

- **AU:** Wage Price Index (QoQ, Q4) – Actual 0.9%, Expected 0.9%, Previous 1.3%.
- **AU:** Judo Bank Composite PMI (Feb, flash) – Actual 51.8, Previous 49.0.

ECONOMIC DATA PREVIEW

- **JP:** Jibun Bank Composite PMI (Feb, flash) – Previous 51.5.
- **EZ:** HCOB Composite PMI (Feb, flash) – Expected 48.4, Previous 47.9.
- **UK:** S&P Global Composite PMI (Feb, flash) – Expected 52.9, Previous 52.9.
- **US:** Initial Jobless Claims (w/e 17 Feb) – Expected 216k, Previous 212k.
- **US:** S&P Global Composite PMI (Feb, flash) – Expected 51.8, Previous 52.0.

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