

Interest Rates			FX			Commodities		
<b>Australia</b>		$\Delta$ bp	AUD/USD	0.7014	-0.1%	WTI Crude Oil	76.01	\$0.14
90-day Bill	4.47	0	AUD/JPY	112.99	0.1%	Brent Crude Oil	79.03	\$0.33
3-year Bond	4.43	0	AUD/EUR	0.6119	0.3%	Mogas95*	101.31	\$1.72
10-year Bond	4.78	-2	AUD/GBP	0.5310	0.6%	CRB Index	362.07	-2.38
			AUD/NZD	1.2176	0.2%	Gold	4190.33	-\$122.82
			AUD/CNY	4.7475	-0.3%	Silver	65.37	-\$3.87
<b>US</b>			EUR/USD	1.1463	-0.4%	Iron Ore (61% Fe)**	99.25	-\$0.05
2-year	4.18	0	USD/JPY	161.09	0.2%	Iron Ore (25-26 Average)	103.80	-\$0.02
10-year	4.45	-2	USD/CNY	6.7682	0.1%	Copper	13690.50	-\$124.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8825	-118
			Interbank O/N Cash Rate	4.35		Dow Jones	51565	72
<b>Other 10-year</b>			Probability of a 25bps Hike in Aug	27.9%		S&P500	7501	80
Japan	2.64	1	RBA Bond Holdings (29 May)	A\$229.8b		Stoxx600	637	-2
Germany	2.93	0				CSI300	4942	10
UK	4.76	1						

\*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 back last night, as the US and Iran memorandum of understanding took effect and traffic in the Strait of Hormuz has started to tick up. Iran has reopened the Strait, while the US has lifted the naval blockade. Bloomberg data available at the time of writing suggest that 12 commercial vessels crossed the Strait yesterday, which is progress compared to hardly any crossings last week, but still well short of the average of over 100 vessels before the war.

That said, despite the provision that the war should end on all fronts, including Lebanon, Israel is continuing its attacks in the southern parts of the country, prompting some backlash from the US. There is also some uncertainty about the conditions of passage through the Strait of Hormuz after the 60-day toll-free period, included in the memorandum of understanding, ends.

What is more, the US let the waiver on Russian sanctions expire on 17 June. The waiver was made due to the oil supply disruptions amid the war in Iran and was no longer valid when the memorandum of understanding between the US and Iran was signed. Over the past few weeks, Ukraine has doubled down on its attacks on Russian oil facilities.

The above resulted in oil prices increasing slightly overnight. However, both Brent and WTI futures remain very close to three-month lows.

The Australian dollar appreciated against all the major currencies except for the US dollar, while long-term Commonwealth bond yields declined slightly in line with their US equivalents. The ASX 200 dropped at the open this morning, after eventually closing 0.6% lower yesterday with losses in all sectors except for consumer staples, health care and industrials.

The Bank of England kept its bank rate steady at 3.75% in a 7-2 vote yesterday, calling the recent decline in oil prices 'encouraging'. The two dissenters preferred a rate hike due to concerns over persisting inflation. The market still expects a 25bps increase from the British central bank towards the end of this year.

Norway's Norges Bank also left its policy rate unchanged at 4.25% yesterday, but the statement focused on ongoing uncertainty about the Middle East conflict, despite the recent memorandum of understanding. The overnight index swap market is fully pricing in a rate hike for September.

US initial jobless claims were little changed at 226k last week, while continued claims picked up to 1,810k in the week ending 6 June, which is the highest level in around two months.

At home, the ABS published Q4 2025 population data yesterday, showing annual growth of 1.5% in the quarter, the same as in Q3 and the equal low since mid-2022, to 27,801k people. There was a slowdown in net overseas migration growth and the natural increase. Western Australia again saw the strongest percentage gain of 2.2%, which took the State's population to 3,077k.

## Economic Data Review

- **US:** Initial Jobless Claims (w/e 13 Jun) – Actual 226k, Expected 225k, Previous 230k (revised).

## Economic Data Preview

No market-moving data.