

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.6922	0.1%	WTI Crude Oil	98.19	-\$3.88
90-day Bill	4.30	-1	AUD/JPY	109.85	0.2%	Brent Crude Oil	99.73	-\$4.24
3-year Bond	4.63	3	AUD/EUR	0.5972	-0.1%	Mogas95*	122.19	-\$3.81
10-year Bond	4.96	2	AUD/GBP	0.5204	-0.4%	CRB Index	371.12	-1.30
			AUD/NZD	1.2041	0.2%	Gold	4793.25	\$101.54
			AUD/CNY	4.7541	0.1%	Silver	75.74	\$0.75
US			EUR/USD	1.1590	0.2%	Iron Ore (61% Fe)**	104.95	-\$1.35
2-year	3.80	1	USD/JPY	158.72	0.1%	Iron Ore (25-26 Average)	103.29	\$0.01
10-year	4.32	1	USD/CNY	6.8755	-0.3%	Copper	12434.50	\$99.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8713	91
			Interbank O/N Cash Rate	4.10		Dow Jones	46566	224
Other 10-year			Probability of a 25bps Hike in May	64.4%		S&P500	6575	47
Japan	2.32	-3	RBA Bond Holdings (27 Feb)	A\$250.0b		Stoxx600	598	15
Germany	2.99	-2				CSI300	4526	76
UK	4.83	-9						

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

**Iron ore is the second SGX futures contract.

Hopes for de-escalation of the conflict in the Middle East continued to boost global market sentiment overnight and drive oil prices lower. US President Donald Trump is about to address the nation just after the issue of this edition of the Daily Report, and there are hopes for a major announcement then.

President Trump also suggested in a social media post that Iranian President, most likely meaning Masoud Pezeshkian, who does not have a definite say in the Iranian political system, asked for a ceasefire, which was later denied by the Iranian side.

The S&P 500 rose by 0.7% last night, somewhat less than on Tuesday, which followed solid gains in Europe and the Asia-Pacific region. The ASX 200 surged by 2.2% yesterday, with gains in all sectors except for utilities, before opening higher this morning.

The Australian dollar continued to strengthen against the US dollar and Japanese yen, though the pace of appreciation slowed. Commonwealth bond yields picked up slightly, as cash rate hike expectations re-intensified a little.

Brent and WTI futures fell further yesterday, with Brent approaching US\$100 a barrel for the first time in over a week. The gold price picked up to its highest level since mid-March, as fed funds rate cut expectations have started to reappear.

US data releases overnight were moderately encouraging. The ISM manufacturing PMI unexpectedly rose 0.3pts to 52.7 in March (above 50 = expansion), with acceleration in production growth. However, the details of the report pointed to faster price growth and disruptions in supplier deliveries, while employment continued to fall. The respondents pointed to disruptions from the conflict in the Middle East, but some of them expressed optimism about the recent tariff changes.

From other data, US ADP employment rose by 62k in March, exceeding market expectations of a 40k gain. US retail sales picked up by 0.6% in February, with core sales up by 0.5%, but this preceded the war in the Middle East.

Across the Pacific, the Chinese RatingDog manufacturing PMI declined 1.3pts to 50.8 in March, while market participants expected a slightly more measured fall. The report details signalled the strongest cost price inflation and supply chain pressures since 2022, while new orders (including new export orders) continued to grow.

At home, [dwelling approvals](#) surged by 28.7% in February, mainly due to consents for buildings other than houses doubling. Private sector house approvals were little changed in February (+0.2%).

Economic Data Review

- **AU:** Dwelling Approvals (MoM, Feb) – Actual 29.7%, Expected 5.5%, Previous -7.2%.
- **CH:** RatingDog Manufacturing PMI (Mar) – Actual 50.8, Expected 51.5, Previous 52.1.
- **US:** ISM Manufacturing PMI (Mar) – Actual 52.7, Expected 52.3, Previous 52.4.
- **US:** ADP Employment (monthly change, Mar) – Actual 62k, Expected 40k, Previous 66k (revised).
- **US:** Retail Sales (MoM, Feb) – Actual 0.6%, Expected 0.5%, Previous -0.1% (revised).

Economic Data Preview

- **AU:** Trade Balance (Feb) – Expected A\$2.9b, Previous A\$2.6b.
- **AU:** Job Vacancies (QoQ, Q1) – Previous -0.2%.
- **US:** Initial Jobless Claims (w/e 28 Mar) – Expected 212k, Previous 210k.