

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6484	0.0%	WTI Crude Oil	83.54	\$1.75
90-day Bill	4.13	0	AUD/JPY	94.35	-0.4%	Brent Crude Oil	86.83	\$0.83
3-year Bond	3.72	-2	AUD/EUR	0.5980	0.8%	Mogas95*	102.27	\$0.92
10-year Bond	3.99	-5	AUD/GBP	0.5117	0.3%	CRB Index	281.91	0.76
			AUD/NZD	1.0863	-0.2%	Gold	1939.77	-\$5.53
			AUD/CNY	4.7005	-0.5%	Silver	24.42	-\$0.21
US			EUR/USD	1.0844	-0.8%	Iron Ore (62% Fe)**	113.20	-\$1.30
2-year	4.86	-2	USD/JPY	145.50	-0.3%	Iron Ore (23-24 Average)	108.54	\$0.15
10-year	4.11	0	USD/CNY	7.2588	-0.4%	Copper	8422.50	-\$50.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7305	10
			Interbank O/N Cash Rate	4.07		Dow Jones	34722	-168
			Probability of a 25bps Hike in Sep	2.4%		S&P500	4508	-7
Other 10-year			RBA Bond Holdings (31 Jul)	A\$337.0b		Stoxx600	458	-1
Japan	0.65	0				CSI300	3765	-23
Germany	2.47	-8						
UK	4.36	-6						

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

**Iron ore is the second SGX futures contract.

US stocks were mixed last night, as US consumer spending was stronger than anticipated and a key inflation figure was as expected. The Dow Jones and S&P 500 declined while the Nasdaq edged up 0.3%.

The US PCE index rose by another 0.2% in July, taking the annual inflation rate up 0.3ppts to 3.3%. Core inflation gained 0.1ppts to 4.2%. US personal spending growth accelerated to 0.8% in nominal terms and 0.6% in real terms.

In China, the NBS composite PMI rose 0.2pts to 51.3 in August (above 50 = expansion), with an unexpectedly slower pace of contraction in manufacturing (49.7 against 49.3 in July) more than offsetting the further deceleration of non-manufacturing sector activity growth (51.0 versus 51.5). The construction PMI rose to 53.8, still indicating relatively subdued construction activity growth by historical standards.

In Australia, private sector capex rose 2.8% in Q2, well above the 1.0% pencilled in by the consensus, partly supported by expiration of tax incentives. Q1 growth was revised up to 3.7% from 2.4%. Investment in equipment and machinery was up 1.9% and buildings and structures investment climbed 3.5%. Mining investment rose by 0.9% in Q2, while non-mining capital expenditure picked up by 3.5%. Investment plans for 2023-24 were revised upwards.

Private sector credit rose by 0.3% in July, the same as in the previous month, but the annual rate of credit growth slowed further to 5.3%, the lowest since September 2021.

This morning saw the CoreLogic home value report for August, which printed another 1.0% increase across the eight capital cities. The index for Perth rose 0.9% rise in August. Housing finance report will be published later today.

In the local markets, Commonwealth bond yields declined, particularly for longer maturities, while the ASX 200 closed 0.1% higher. The Australian dollar is unchanged against the stronger US dollar.

ECONOMIC DATA REVIEW

- **AU:** CoreLogic Home Value Index (MoM, Aug) – Actual 1.0%, Previous 0.8%.
- **AU:** Private Sector Capex (QoQ, Q2) – Actual 2.8%, Expected 1.0%, Previous 3.7% (revised).
- **AU:** Private Sector Credit (MoM, Jul) – Actual 0.3%, Expected 0.3%, Previous 0.3% (revised).
- **CH:** NBS Composite PMI (Aug) – Actual 51.3, Previous 51.1.
- **US:** Personal Spending (MoM, Jul) – Actual 0.8%, Expected 0.7%, Previous 0.6% (revised).
- **US:** PCE Price Index (MoM, Jul) – Actual 0.2%, Expected 0.2%, Previous 0.2%.
- **US:** Initial Jobless Claims (w/e 26 Aug) – Actual 228k, Expected 235k, Previous 232k (revised).

ECONOMIC DATA PREVIEW

- **AU:** Housing Finance (MoM, Jul) – Expected 0.0%, Previous -1.0%.
- **CH:** Caixin Manufacturing PMI (Aug) – Expected 49.0, Previous 49.2.
- **US:** Non-farm Payrolls (monthly change, Aug) – Expected 170k, Previous 172k.
- **US:** Unemployment Rate (Aug) – Expected 3.5%, Previous 3.5%.
- **US:** ISM Manufacturing PMI (Aug) – Expected 47.0, Previous 46.4.

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