

Interest Rates			FX			Commodities		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.7071	0.5%	WTI Crude Oil	98.36	\$1.40
90-day Bill	4.32	0	AUD/JPY	112.60	0.8%	Brent Crude Oil	96.62	-\$0.10
3-year Bond	4.62	1	AUD/EUR	0.6050	0.2%	Mogas95*	120.29	\$0.30
10-year Bond	4.95	1	AUD/GBP	0.5268	0.3%	CRB Index	368.55	2.28
			AUD/NZD	1.2094	0.1%	Gold	4756.60	\$45.26
			AUD/CNY	4.8348	0.6%	Silver	75.11	\$1.33
<b>US</b>			EUR/USD	1.1687	0.2%	Iron Ore (61% Fe)**	102.95	-\$1.65
2-year	3.78	-1	USD/JPY	159.24	0.3%	Iron Ore (25-26 Average)	103.35	-\$0.01
10-year	4.29	-1	USD/CNY	6.8307	0.0%	Copper	12681.50	-\$27.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8916	-17
			Interbank O/N Cash Rate	4.10		Dow Jones	48186	276
<b>Other 10-year</b>			Probability of a 25bps Hike in May	66.8%		S&P500	6825	42
Japan	2.41	1	RBA Bond Holdings (31 Mar)	A\$250.0b		Stoxx600	613	-1
Germany	2.99	4				CSI300	4566	-29
UK	4.75	4						

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

\*\*Iron ore is the second SGX futures contract.

Following some confusion over the conflict in the Middle East that drove stock prices lower during the European and Asian sessions, the US share market climbed as investors concentrated on news that Israel had agreed to talks about a ceasefire with Lebanon, which would allow the Strait of Hormuz to reopen. Several vessels crossed the Strait yesterday, while US President Donald Trump urged Iran to stop charging vessels for passage.

US investors have largely ignored the fact that Israeli Prime Minister Benjamin Netanyahu confirmed there is no ceasefire in Lebanon, and that the fighting is not with the Lebanese state itself, but with the militant group Hezbollah.

The S&P 500 closed 0.6% higher, while the tech-heavy Nasdaq picked up by 0.8%. The European Stoxx 600 ebbed by 0.1% and the Nikkei lost 0.7%. Bond yields picked up slightly in Europe and Japan, but declined in the US.

The ASX 200 eventually closed 0.2% higher yesterday, despite a weak start, before opening lower this morning. The improved global market sentiment supported the Australian dollar, which appreciated against all major currencies. Commonwealth bond yields have slightly since yesterday morning.

Global oil prices were mixed overnight, with renewed, albeit slight, declines in Brent futures, while WTI futures climbed further. The gold price picked up slightly overnight but remains well below the US\$5,000 an-ounce mark. Iron ore has fallen by 1.7% since yesterday morning.

Yesterday saw a lot of economic data from the US, but most of it was quite dated, preceding the escalation of the conflict in the Middle East.

US Q4 GDP growth was revised further downwards, to just 0.5% (annualised), as investment growth turned out to be somewhat weaker than previously estimated.

US personal spending rose by 0.5% in nominal terms in February, but ticked up only by 0.1% in real terms, while the January figures were revised downwards to a flat outcome. The PCE price index increased by 0.4%, to be up by 2.8% through the year, the same as in January. The core PCE price index also picked up by 0.4%, but the annual rate of core PCE inflation slowed 0.1ppts to 3.0% from the two-year high reached a month ago.

Initial jobless claims increased to a still-moderate 219k last week, while continued claims fell to 1,794k in the week ending 28 March. While this is the lowest level since May 2024, it could reflect people whose unemployment benefits came to an end rather than an improvement in labour market conditions.

### Economic Data Review

- **US:** GDP (QoQ, Q4, final) – Actual 0.5%, Expected 0.7%, Previous 0.7%.
- **US:** Personal Spending (MoM, Feb) – Actual 0.5%, Expected 0.6%, Previous 0.4%.
- **US:** PCE Price Index (MoM, Feb) – Actual 0.4%, Expected 0.4%, Previous 0.3%.
- **US:** Initial Jobless Claims (w/e 4 Apr) – Actual 219k, Expected 210k, Previous 202k.

### Economic Data Preview

- **CH:** CPI (YoY, Mar) – Expected 1.1%, Previous 1.3%.
- **CH:** PPI (YoY, Mar) – Expected 0.4%, Previous -0.9%.
- **US:** CPI (MoM, Mar) – Expected 0.9%, Previous 0.3%.
- **US:** University of Michigan Consumer Confidence (Apr, prel.) – Expected 51.5, Previous 53.3.