

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6393	0.2%	WTI Crude Oil	86.75	\$0.04
90-day Bill	4.13	1	AUD/JPY	93.95	0.2%	Brent Crude Oil	90.16	\$0.47
3-year Bond	3.82	3	AUD/EUR	0.5967	0.2%	Mogas95*	104.08	\$4.90
10-year Bond	4.14	4	AUD/GBP	0.5121	0.2%	CRB Index	284.47	0.70
			AUD/NZD	1.0833	0.0%	Gold	1919.59	-\$2.60
			AUD/CNY	4.6825	0.2%	Silver	22.96	-\$0.03
US			EUR/USD	1.0714	0.1%	Iron Ore (62% Fe)**	113.55	-\$0.35
2-year	4.99	7	USD/JPY	146.95	0.0%	Iron Ore (23-24 Average)	109.26	\$0.10
10-year	4.28	6	USD/CNY	7.3439	0.2%	Copper	8242.50	-\$78.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7142	-11
			Interbank O/N Cash Rate	4.07		Dow Jones	34577	76
			Probability of a 25bps Hike in Oct	8.9%		S&P500	4457	6
			RBA Bond Holdings (31 Aug)	A\$337.0b		Stoxx600	455	1
						CSI300	3740	-18
Other 10-year								
Japan	0.70	4						
Germany	2.61	0						
UK	4.42	-3						

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

**Iron ore is the second SGX futures contract.

US stocks closed slightly higher after a choppy session on Friday, as investors are awaiting US CPI data scheduled for Wednesday night. The Nasdaq and S&P 500 gained 0.1%, while the Dow Jones edged up 0.2%. The increases were quite broad-based, though real estate, industrials and health care saw slight declines. This followed gains in Europe and losses across Asia-Pacific.

Concerns over higher fuel prices and a renewed rise in inflation pushed US Treasuries higher on Friday, with relatively strong increases at the front end of the yield curve. Fed funds rate expectations rose further, with over a 40% probability of another 25bps fed funds rate hike priced in by the end of this year.

Adding to uncertainty regarding the monetary policy outlook, Dallas Fed President Lorie Logan said that, while it would be 'appropriate' to pause at the FOMC meeting on 20-21 September, more tightening could be needed to ensure that inflation declines to the Fed's goal of 2%.

There were no market-moving data releases on Friday.

Oil prices continued to climb amid further worries over supply from Russia and Saudi Arabia, after both countries extended their production cuts until the end of this year. Oil prices rose by another 1% and are hovering around the highest level since mid-November 2022.

Iron ore futures ebbed by 0.3%, dragged down by press reports that the Chinese authorities could take steps to contain the increase in prices of this commodity as well as concerns that the US and European Union may impose joint tariffs on Chinese steel.

In the local markets, the ASX 200 closed 0.2% lower on Friday, dragged down by materials, while results across other industries were mixed. Commonwealth bond yields picked up across the yield curve. The Australian dollar appreciated against all the major currencies.

Data wise, it is another busy week at home, with the August NAB business report and Westpac consumer sentiment index for September due tomorrow, followed by the August labour force report on Thursday.

The key data releases offshore will be US and Chinese inflation, Chinese economic activity data and US retail sales and industrial production for August. A 25bps rate hike from the ECB is partially priced in for Thursday. The week will conclude with the University of Michigan consumer confidence report for September on Friday, which will include consumer inflation expectations.

ECONOMIC DATA REVIEW

No market-moving data.

ECONOMIC DATA PREVIEW

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 9 Sep) – Previous 0.8% (tomorrow).

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