

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6375	0.0%	WTI Crude Oil	86.69	-\$0.97
90-day Bill	4.12	0	AUD/JPY	93.90	-0.4%	Brent Crude Oil	89.92	-\$0.80
3-year Bond	3.82	-2	AUD/EUR	0.5960	0.2%	Mogas95*	99.39	-\$1.68
10-year Bond	4.12	-4	AUD/GBP	0.5112	0.2%	CRB Index	283.77	-0.97
			AUD/NZD	1.0853	-0.2%	Gold	1919.85	\$3.15
			AUD/CNY	4.6749	0.2%	Silver	22.96	-\$0.17
US			EUR/USD	1.0696	-0.3%	Iron Ore (62% Fe)**	112.95	-\$2.05
2-year	4.95	-7	USD/JPY	147.29	-0.4%	Iron Ore (23-24 Average)	109.16	\$0.06
10-year	4.24	-4	USD/CNY	7.3291	0.2%	Copper	8321.00	-\$50.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	7171	-29
			Interbank O/N Cash Rate	4.07		Dow Jones	34501	58
			Probability of a 25bps Hike in Oct	8.9%		S&P500	4451	-14
Other 10-year			RBA Bond Holdings (31 Aug)	A\$337.0b		Stoxx600	454	-1
Japan	0.66	-1				CSI300	3758	-54
Germany	2.61	-4						
UK	4.45	-8						

*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 on Thursday, as another decline in US initial jobless claims raised further doubts over whether the Fed has concluded its tightening cycle. The Dow Jones rose 0.2%, but the S&P 500 and Nasdaq declined by 0.3% and 0.7%, respectively. The declines were led by tech stocks amid a further decline in Apple shares.

US Treasury yields spiked following the jobless claims data, before declining across the yield curve. Speaking overnight, New York Fed President John Williams assessed that US monetary policy is in a “good place” but needs to remain data-dependent. Chicago Fed President Austan Goolsbee said that the FOMC is “very rapidly” approaching a point when discussions will no longer be about interest rate increases.

US initial jobless claims fell to 216k last week, which is the lowest level since mid-February. Continued claims also saw a significant decline in week ending 26 August, falling to 1,679k from 1,719k the week before.

In China, the annual pace of decline in exports and imports narrowed in August, to 8.8% and 7.3%, respectively, resulting in a stronger-than-expected decline in trade surplus to US\$68.4b. Chinese iron ore imports surged by 10.6% YoY, to the highest level since October 2020.

Despite the encouraging Chinese trade data, iron ore futures declined by 1.8% after news that the Chinese National Development and Reform Commission intends to meet with some futures traders to discuss iron ore prices.

In Australia, RBA Governor Philip Lowe delivered his farewell speech at Annika Foundation yesterday afternoon. He said that, during his term, underlying inflation averaged 2.7% and headline inflation averaged 3.0%, which is within the RBA’s target of 2-3% average inflation over the medium term. He also stressed the importance of coordination of monetary and fiscal policies as well as lifting productivity growth.

Data-wise, the Aussie trade surplus declined to A\$8.0b in July from the downwardly revised A\$10.3b surplus in the previous month. The decline was somewhat larger than expected (consensus A\$10.0b) and resulted from the combination of lower exports and higher imports. The decline in credits was broad-based across non-rural commodities. The rise in imports was quite broad-based, with further strong increases in vehicle imports.

Aussie payroll jobs ebbed 0.1% over the month to 18 August but were up 2.9% through the year. Western Australian jobs rose by 0.6% over the month to 18 August and are 4.2% higher than a year ago, the most of all states.

In the local markets, Commonwealth bond yields declined, while the ASX 200 closed 1.2% lower yesterday dragged down by minerals. The Australian dollar is flat against the stronger greenback.

ECONOMIC DATA REVIEW

- **AU:** Trade Balance (Jul) – Actual A\$8.0b, Expected A\$10.0b, Previous A\$10.3b (revised).
- **AU:** Payroll Jobs (monthly change, w/e 18 Aug) – Actual -0.1%, Previous -0.3% (revised).
- **CH:** Trade Balance (Aug) – Actual US\$68.4b, Expected US\$73.9b, Previous US\$80.6b.
- **US:** Initial Jobless Claims (w/e 2 Sep) – Actual 216k, Expected 234k, Previous 229k (revised).

ECONOMIC DATA PREVIEW

No market-moving data.

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