

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6647	-0.2%	WTI Crude Oil	62.80	\$0.70
	90-day Bill	3.58	AUD/JPY	98.16	0.1%	Brent Crude Oil	67.06	\$0.94
	3-year Bond	3.45	AUD/EUR	0.5670	-0.1%	Mogas95*	79.78	\$1.22
	10-year Bond	4.25	AUD/GBP	0.4906	0.0%	CRB Index	301.72	1.40
US			AUD/NZD	1.1169	0.1%	Gold	3635.81	\$3.72
			AUD/CNY	4.7403	0.0%	Silver	42.19	\$0.75
	2-year	3.56	EUR/USD	1.1722	-0.1%	Iron Ore (62% Fe)**	105.55	-\$0.20
	10-year	4.06	USD/JPY	147.67	0.3%	Iron Ore (25-26 Average)	101.65	\$0.07
Other 10-year			USD/CNY	7.1250	0.1%	Copper	10067.50	\$16.00
			RBA Policy			Equities		
			O/N Cash Rate Target	3.60		ASX200	8807	-66
			Interbank O/N Cash Rate	3.60		Dow Jones	45834	-274
Japan	1.59	1	Probability of a 25bps Cut in Sep	8.0%		S&P500	6584	-3
Germany	2.72	6	RBA Bond Holdings (29 Aug)	A\$272.1b		Stoxx600	555	0
UK	4.67	7				CSI300	4522	-26

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

**Iron ore is the second SGX futures contract.

The S&P 500 ended its fourth positive trading week slightly lower but still close to its record high, while US Treasury yields picked up after the University of Michigan consumer survey suggested a renewed increase in long-term consumer inflation expectations. The results were mixed across the equity sectors, with gains in information technology pushing the tech-heavy Nasdaq to a fresh record high on Friday.

The uneven end to the week on Wall Street followed mixed results in Europe and gains in most of the Asia-Pacific region, with the notable exception of the mainland Chinese market. The ASX 200 closed 0.7% higher on Friday, with gains in most sectors led by materials. The Australian dollar depreciated against most major currencies, except for the Japanese yen. Commonwealth bond yields rose on Friday and opened higher again this morning.

The preliminary results of the University of Michigan survey for September suggested that US consumer sentiment dropped to one of the lowest levels since the post-COVID inflation spike. However, what attracted investors' attention was the renewed increase in consumer inflation expectations for the five- to ten-year horizon, back to the quite elevated level of 3.9%.

That said, this survey has become less reliable since the change from telephone interviews to an online-based survey last year and is subject to significant revisions. The Fed has been paying closer attention to its own survey developed by its New York district, which has been suggesting that inflation expectations are relatively steady.

Concerns about a rise in inflation expectations saw the gold price reach yet another record high on Friday. Oil prices also picked up, while iron ore futures continued to decline, to be the lowest in around a week but still above US\$100 a tonne.

The UK monthly GDP report suggested that British real GDP growth was flat in July, as expected. However, contrary to market expectations, it was manufacturing rather than construction that proved to be the growth dampener in July, as suggested by the PMI surveys. The decline in manufacturing was fully offset by gains in other sectors, with services activity rising by 0.1% and construction seeing a 0.2% gain.

The only domestic release of note [this week](#) will be the August labour force survey on Thursday, with another moderate rise in employment expected. RBA Assistant Governor Sarah Hunter is set to speak tomorrow at an annual conference organised by the Australian Finance Industry Association.

It will be a big week in global central banking, with the Fed, Bank of Japan, and Bank of England all expected to announce their monetary policy decisions. Only the Fed is expected to deliver a rate cut, while also publishing its updated projections. The key offshore data releases will be US and Chinese activity data for August.

Economic Data Review

- **UK:** Monthly GDP (MoM, Jul) – Actual 0.0%, Expected 0.0%, Previous 0.4%.
- **US:** University of Michigan Consumer Sentiment (Sep) – Actual 55.4, Expected 58.0, Previous 58.2.

Economic Data Preview

- **CH:** Retail Sales (MoM, Jul) – Expected 3.8%, Previous 3.7%.
- **CH:** Industrial Production (YoY, Aug) – Expected 5.6%, Previous 5.7%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Aug) – Expected 1.5%, Previous 1.6%.