

Interest Rates			FX			Commodities		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.7067	-0.2%	WTI Crude Oil	81.36	\$0.63
90-day Bill	4.47	1	AUD/JPY	113.25	0.0%	Brent Crude Oil	83.66	\$0.05
3-year Bond	4.47	10	AUD/EUR	0.6098	0.0%	Mogas95*	102.37	-\$6.89
10-year Bond	4.86	9	AUD/GBP	0.5270	0.1%	CRB Index	364.87	-3.99
			AUD/NZD	1.2139	0.3%	Gold	4310.09	\$8.56
			AUD/CNY	4.7807	0.3%	Silver	69.75	-\$0.68
<b>US</b>			EUR/USD	1.1589	-0.1%	Iron Ore (61% Fe)**	102.05	\$0.50
2-year	4.07	6	USD/JPY	160.24	0.2%	Iron Ore (25-26 Average)	103.86	-\$0.02
10-year	4.48	6	USD/CNY	6.7576	-0.1%	Copper	13745.00	\$47.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8862	-65
			Interbank O/N Cash Rate	4.35		Dow Jones	51671	469
<b>Other 10-year</b>			Probability of a 25bps Hike in Jun	0.0%		S&P500	7554	123
Japan	2.60	3	RBA Bond Holdings (29 May)	A\$229.8b		Stoxx600	634	1
Germany	2.95	-4				CSI300	4892	114
UK	4.81	-2						

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

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

Hopes for a ceasefire deal continued to fuel the stock market rally on Monday night, with all three major US stock indices closing higher. The S&P 500 and Nasdaq surged by 1.7% and 3.1%, respectively, while the Dow Jones reached a fresh record high after a 0.9% gain. The rally was led by information technology, while energy stocks saw a large drop.

After nosediving on Friday and yesterday morning, oil prices have stabilised to around three-month lows. US Treasury yields picked up, following strong declines over the past several trading days. Investors are awaiting more precise information about the reopening of the Strait of Hormuz. While US President Donald Trump claimed in a social media post that the Strait is open, this has not been confirmed by vessel-crossing data provided by Bloomberg.

The rally on Wall Street followed mixed results in Europe and gains across the Asia-Pacific region. The ASX 200 saw a 1.3% gain yesterday, but sank at the open this morning.

Australian dollar exchange rates are fairly mixed, with depreciation against the US dollar, strengthening versus the British pound, and no change against the euro and Japanese yen.

Commonwealth bond yields rose somewhat more than their US equivalents. This comes ahead of the RBA decision later today, with no change to the cash rate expected. Investors will be looking for any hints regarding the monetary policy outlook, especially given that the 'Big Four' commercial banks are split on the direction of future rate moves.

From the economic data released overnight, US industrial production ticked up by 0.1% in May. This was below the 0.3% consensus but followed an upwardly revised 0.9% gain in the previous month. Manufacturing activity was unchanged in May, though the April increase was also revised higher, to 0.7%. Activity in mining surged by 1.0% and was the only major category to record a gain in May.

At home, ANZ-Roy Morgan consumer sentiment edged down by 0.1% last week, while consumer inflation expectations fell by 0.1 percentage points to a still-elevated 6.0%. A separate set of data from NAB suggested that consumer spending rebounded by 1.1% in May, following a decline in the previous month. The May increase was driven by discretionary spending, while lower fuel prices pushed essential spending lower.

### Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence Index (w/e 13 Jun) – Actual 70.7, Previous 70.8.
- **US:** Industrial Production (MoM, May) – Actual 0.1%, Expected 0.3%, Previous 0.9% (revised).

### Economic Data Preview

- **AU:** RBA Monetary Policy Board Decision (Cash Rate) – Expected 4.35%, Previous 4.35%.
- **AU:** Post-meeting Press Conference by RBA Governor Michele Bullock.
- **JP:** Bank of Japan Decision (Policy Rate) – Expected 1.00%, Previous 0.75%.
- **CH:** Retail Sales (YoY, May) – Expected -0.2%, Previous 0.2%.
- **CH:** Industrial Production (YoY, May) – Expected 4.4%, Previous 4.1%.
- **CH:** Urban Fixed Asset Investment (YoY Ytd, May) – Expected -2.3%, Previous -1.6%.