

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6602	0.7%	WTI Crude Oil	65.44	-\$0.15
90-day Bill	3.69	0	AUD/JPY	96.62	0.7%	Brent Crude Oil	68.51	-\$0.36
3-year Bond	3.44	5	AUD/EUR	0.5606	0.4%	Mogas95*	77.69	\$0.36
10-year Bond	4.32	5	AUD/GBP	0.4861	0.3%	CRB Index	303.85	0.06
			AUD/NZD	1.0916	0.0%	Gold	3390.45	-\$41.37
			AUD/CNY	4.7204	0.5%	Silver	39.29	\$0.02
US			EUR/USD	1.1777	0.3%	Iron Ore (62% Fe)**	104.25	-\$1.05
2-year	3.88	4	USD/JPY	146.36	0.0%	Iron Ore (25-26 Average)	99.09	\$0.27
10-year	4.38	2	USD/CNY	7.1543	-0.2%	Copper	9930.50	\$11.00
			RBA Policy			Equities		
			O/N Cash Rate Target		3.85	ASX200	8737	17
			Interbank O/N Cash Rate		3.84	Dow Jones	45010	508
Other 10-year			Probability of a 50bps Cut in Aug		52.2%	S&P500	6359	49
Japan	1.59	1	RBA Bond Holdings (30 Jun)		A\$276.4b	Stoxx600	550	6
Germany	2.64	5				CSI300	4120	1
UK	4.64	7						

*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 at fresh record highs last night, supported by optimism about a tentative trade deal between the US and Japan that was announced [yesterday morning](#). In addition, US Treasury Secretary Scott Bessent said that negotiations with the European Union were progressing well, while announcing that he would meet with a Chinese trade delegation next week.

The positive tariff news led to a significant rise in equity indices across the Asia-Pacific region, unsurprisingly led by the Nikkei. The ASX 200 rose by another 0.7% yesterday, but remained 0.2% off its record high from last Friday. The gains were again led by materials, followed by energy and financials, while utilities were the only industry to see a decline. The Aussie share market opened flat this morning.

The market optimism supported the Australian dollar, which appreciated against all the major currencies. The AUD/USD is now at its highest level since early November 2024. Commonwealth bond yields rose less than their US equivalents.

Data-wise, US existing home sales fell by 2.7% in June, while the markets were expecting a more measured decline of 2.7%. This followed an upwardly revised gain of 1.0% in May (originally +0.8%). The level of US existing home sales in June was one of the lowest since 2010, just after the global financial crisis.

At home, the Westpac leading index declined by 0.03% in June, taking the six-month annualised growth rate down to 0.03%. This indicates that the pace of economic activity growth within three to nine months will decelerate, remaining only marginally above trend.

The less established S&P Global composite PMI rose to 53.6 in July, signalling the fastest pace of expansion since April 2022. Expansion was registered in both manufacturing (51.6) and services (53.6). The pace of growth in new orders accelerated, signalling strength ahead, though export orders remained in contraction. The report also pointed to a rise in employment, as well as faster growth in costs and selling prices.

In other local news, the ABS announced that it would publish a full monthly CPI report on 26 November, with October being the reference month. This will provide better and more timely information for monetary policy decisions.

Economic Data Review

- **AU:** Westpac Leading Index (Jun) – Actual -0.03%, Previous 0.05% (revised).
- **AU:** S&P Global Composite PMI (Jul) – Actual 53.6, Previous 51.6.
- **US:** Existing Home Sales (MoM, Jun) – Actual -2.7%, Expected -0.7%, Previous 1.0% (revised).

Economic Data Preview

- **AU:** Public Appearance by RBA Governor Michele Bullock.
- **JP:** Jibun Bank Composite PMI (Jul) – Previous 51.5.
- **EZ:** ECB Decision (Deposit Rate) – Expected 2.00%, Previous 2.00%.
- **EZ:** HCOB Composite PMI (Jul) – Expected 50.7, Previous 50.6.
- **UK:** S&P Global Composite PMI (Jul) – Expected 51.8, Previous 52.0.
- **US:** New Home Sales (MoM, Jun) – Expected 4.3%, Previous -13.7%.
- **US:** S&P Global Composite PMI (Jul) – Expected 52.8, Previous 52.9.
- **US:** Initial Jobless Claims (w/e 19 Jul) – Expected 226k, Previous 221k.