

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7124	-1.3%	WTI Crude Oil	106.72	\$5.06
90-day Bill	4.45	1	AUD/JPY	113.16	-1.0%	Brent Crude Oil	110.39	\$4.05
3-year Bond	4.74	5	AUD/EUR	0.6133	-0.9%	Mogas95*	134.59	\$2.92
10-year Bond	5.11	9	AUD/GBP	0.5353	-0.7%	CRB Index	399.29	-0.99
			AUD/NZD	1.2218	-0.1%	Gold	4518.23	-\$112.34
			AUD/CNY	4.8732	-0.6%	Silver	75.18	-\$7.82
US			EUR/USD	1.1615	-0.4%	Iron Ore (61% Fe)**	109.15	-\$1.40
2-year	4.08	5	USD/JPY	158.84	0.3%	Iron Ore (25-26 Average)	103.87	\$0.02
10-year	4.60	11	USD/CNY	6.8127	0.4%	Copper	13555.00	-\$383.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8553	-128
			Interbank O/N Cash Rate	4.35		Dow Jones	49526	-537
Other 10-year			Probability of a 25bps Hike in Jun	17.1%		S&P500	7409	-93
Japan	2.77	11	RBA Bond Holdings (30 Apr)	A\$230.3b		Stoxx600	607	-9
Germany	3.17	12				CSI300	4860	-55
UK	5.17	18						

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

**Iron ore is the second SGX futures contract.

Wall Street finished last week with the strongest losses since late March, following declines in Europe and the Asia-Pacific region. The deterioration in global market sentiment resulted from a disappointing outcome of the US-China summit, particularly with respect to the outlook for the war in the Middle East. In contrast to speculation before the summit, the parties did not specifically discuss the prospect of re-opening the Strait of Hormuz.

The realisation that the conflict in the Middle East and the closure of the Strait of Hormuz could drag on much longer than hoped pushed oil prices higher. Traders on Polymarket are increasingly betting that traffic in the Strait will not return to normal until the end of Q3 2026.

Concerns over higher inflation and monetary policy tightening drove government bond yields higher across the major advanced economies, particularly at the back end of the respective yield curves. This included the US, despite New York Fed President John Williams advocating keeping the fed funds rate steady at the moment.

UK gilt yields saw relatively strong increases, additionally propped up by the heightened political uncertainty in the country, reaching their highest level since 2008. Japanese government bond yields saw a relatively narrow increase, but are now the highest since the mid-1990s.

Weaker global market sentiment sent the Australian dollar lower against all the major currencies, with the largest depreciation against the stronger greenback. Long-term Commonwealth bond yields rose less than their US equivalents. The ASX 200 opened in the deep red this morning, after ebbing by 0.1% on Friday.

From the data released on Friday, US industrial production rose by 0.7% in April, the most since March 2025 and more than double what was expected by the markets. This followed a revised decline in the previous month (-0.3% instead of the 0.4% estimated initially). Activity in manufacturing and utilities picked up by 0.6% and 1.8% in April, respectively, while mining activity ebbed by 0.1%.

The key domestic events [this week](#) will be the minutes from the recent RBA Monetary Policy Board meeting and Westpac consumer sentiment for May to be released tomorrow, as well as the April labour force survey, Melbourne Institute consumer inflation expectations for May, and the S&P Global flash PMIs for May on Thursday. RBA Assistant Governor Sarah Hunter is scheduled to speak at an investor event tomorrow.

The S&P Global flash PMIs for May will also be published for the major advanced economies on Thursday. Other highlights offshore include Chinese activity data for April later today and the FOMC minutes on Wednesday.

Economic Data Review

- **US:** Industrial Production (MoM, Apr) – Actual 0.7%, Expected 0.3%, Previous -0.3% (revised).

Economic Data Preview

- **CH:** Retail Sales (YoY, Apr) – Expected 2.0%, Previous 1.7%.
- **CH:** Industrial Production (YoY, Apr) – Expected 6.0%, Previous 5.7%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Apr) – Expected 1.7%, Previous 1.7%.