

Interest Rates			FX			Commodities		
<b>Australia</b>		$\Delta$ bp	AUD/USD	0.6915	1.0%	WTI Crude Oil	102.07	-\$4.15
90-day Bill	4.31	0	AUD/JPY	109.64	0.2%	Brent Crude Oil	103.97	-\$8.81
3-year Bond	4.60	-7	AUD/EUR	0.5976	0.0%	Mogas95*	126.00	-\$14.14
10-year Bond	4.94	-9	AUD/GBP	0.5223	0.5%	CRB Index	372.42	1.13
			AUD/NZD	1.2021	0.4%	Gold	4691.71	\$172.42
			AUD/CNY	4.7506	0.3%	Silver	74.99	\$5.00
<b>US</b>			EUR/USD	1.1569	1.0%	Iron Ore (61% Fe)**	106.30	-\$0.85
2-year	3.79	-3	USD/JPY	158.62	-0.7%	Iron Ore (25-26 Average)	103.28	\$0.01
10-year	4.32	-3	USD/CNY	6.8944	-0.3%	Copper	12335.50	\$112.00
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.10		ASX200	8622	175
Japan	2.35	-2	Interbank O/N Cash Rate	4.10		Dow Jones	46342	1125
Germany	3.00	-3	Probability of a 25bps Hike in May	50.1%		S&P500	6529	185
UK	4.92	-2	RBA Bond Holdings (27 Feb)	A\$250.0b		Stoxx600	583	2
						CSI300	4450	-42

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

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

Global stocks bounced overnight, while oil prices and government bond yields fell, as both the US and Iran signalled willingness to conclude the military conflict in the Middle East. US President Donald Trump said that he expects the war to end within 'two weeks, maybe three', while his Iranian counterpart, Masoud Pezeshkian, responded that his country was also ready to end the war, though it would like guarantees from the US and Israel.

The markets have largely ignored a separate social media post, in which President Trump rejected responsibility for reopening the Strait of Hormuz. Even if the Strait is reopened, disruptions in oil and gas supply could continue for several months.

The improvement in global market sentiment supported the Australian dollar, which appreciated against all the major currencies except for the euro. Commonwealth bond yields dropped more than their US equivalents, as cash rate hike expectations eased significantly, with a May hike only around 50% priced in at the time of writing, though two hikes are still priced in for this year.

The ASX 200 surged by more than 1% at the open this morning, after closing 0.3% higher yesterday.

Data-wise, US Conference Board consumer confidence unexpectedly improved in March, reflecting more optimism about the present situation, while expectations deteriorated. US JOLTS job openings resumed declining, leaving them over 600k below the number of officially unemployed.

Across the Atlantic, euro area HICP inflation surged by 0.6ppts to 2.5% in March according to the preliminary figures. The increase was primarily driven by energy prices, while core inflation ebbed to 2.3%.

The Chinese NBS composite PMI rose back into slight expansion in March, supported by rising activity in manufacturing and services, while construction remained in contraction. The details of the report pointed to acceleration in cost growth.

At home, the Cotality data suggested that home prices rose by 0.6% across the capital cities in March, the same as in the previous month. The increase was driven by less populous capital cities, including Perth, which saw the largest gain of 2.5%. Meanwhile, Sydney and Melbourne recorded declines of 0.1% and 0.2%, respectively. This followed a broad-based acceleration in private sector credit growth in February to 0.6% MoM and 7.8% YoY.

Minutes from the RBA Monetary Policy Board meeting in March confirmed that all members agreed on the need to increase the cash rate target but diverged on the timing.

Those in favour of tightening in March believed that financial conditions were insufficiently restrictive given widespread capacity pressures, tight labour market conditions and the likely inflationary impact of the second-round effects from higher petrol prices. Those in favour of holding off on tightening in March cited mainly heightened uncertainty. The minutes did not provide clear forward guidance, with future decisions dependent on data (and events).

### Economic Data Review

- **AU:** Cotality Home Value Capital Cities (MoM, Mar) – Actual 0.6%, Previous 0.6%.
- **AU:** Private Sector Credit (MoM, Feb) – Actual 0.6%, Expected 0.6%, Previous 0.5%.

### Economic Data Preview

- **AU:** Dwelling Approvals (MoM, Feb) – Expected 5.5%, Previous -7.2%.