

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6423	0.6%	WTI Crude Oil	61.91	-\$1.24
	90-day Bill	3.89	AUD/JPY	91.35	-0.3%	Brent Crude Oil	65.67	-\$1.30
	3-year Bond	3.30	AUD/EUR	0.5630	0.2%	Mogas95*	76.70	-\$0.96
	10-year Bond	4.19	AUD/GBP	0.4783	-0.4%	CRB Index	297.88	-0.58
US			AUD/NZD	1.0773	0.5%	Gold	3331.32	\$20.49
			AUD/CNY	4.6826	0.4%	Silver	33.08	\$0.14
	2-year	3.69	EUR/USD	1.1408	0.4%	Iron Ore (62% Fe)**	98.35	\$0.15
	10-year	4.21	USD/JPY	142.23	-0.9%	Iron Ore (24-25 Average)	101.68	-\$0.01
Other 10-year			USD/CNY	7.2874	0.0%	Copper	9378.00	\$4.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8030	-16
			Interbank O/N Cash Rate	4.09		Dow Jones	40228	114
Japan	1.32	-1	Probability of a 50bps Cut in May	62.0%		S&P500	5529	4
Germany	2.52	5	RBA Bond Holdings (31 Mar)	A\$297.4b		Stoxx600	523	3
UK	4.51	3				CSI300	3782	-5

*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 closed marginally higher after a choppy session, with semiconductor stocks weighing on the daily outcome amid news that a major Chinese high-tech company is testing its own AI chip, which could threaten the position of chip posterchild Nvidia. The tech-heavy Nasdaq closed virtually flat last night, while the Dow Jones rose by 0.3%.

US Treasury yields continued to fall, to be the lowest since just after the announcement of 'reciprocal' tariffs, while the US dollar resumed its depreciation.

The Australian dollar appreciated versus the greenback and the euro, but was down against the Japanese yen and British pound. The AUD/USD is now the highest since September, mainly reflecting weakness in the US dollar. Commonwealth bond yields are virtually unchanged from yesterday morning. The ASX 200 closed 0.4% higher yesterday, with gains in all sectors except materials.

In tariff news, US Treasury Secretary Scott Bessent said that it is up to the Chinese authorities to take the first step in de-escalating the trade war. Secretary Bessent added that the US administration is now focusing on trade talks with trading partners other than China.

This news has propped up concerns about the global trade war to some extent. It led to a renewed rise in the gold price, which currently sits just 2.5% below its record high. It has also weighed on oil prices, along with easing geopolitical concerns amid news reports on a new round of US-Iran nuclear deal talks, and signs that a new ceasefire in the Russian-Ukrainian war is possible in early May. Iron ore futures ticked up by 0.2%, with market reports pointing to a pickup in global steel output in March.

Data-wise, the only statistical release of note was the Dallas Fed manufacturing activity index, which plunged to -35.8 in April, the lowest level since May 2020. The details of the report point to a drop in new orders and depleted inventories, as well as the highest outlook uncertainty since May 2020. Price pressures also accelerated in April, with the raw materials index reaching the highest level since mid-2022. At the same time, the employment and wage indicators remained relatively steady.

At home, ANZ Roy Morgan consumer confidence fell by 2.5% last week, as tariff concerns drove two-year consumer inflation expectations 0.2ppts higher, to 5.1%, a level unseen since mid-2024.

Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Sentiment (w/e 26 Apr) – Actual -2.5%, Previous 1.5%.
- **US:** Dallas Fed Manufacturing Activity Index (Apr) – Actual -35.8, Expected -17.0, Previous -16.3.

Economic Data Preview

- **US:** Goods Trade Balance (Mar, adv.) – Expected -US\$145.0b, Previous -US\$147.8b.
- **US:** S&P CoreLogic 20-City House Price Index (MoM, Feb) – Expected 0.4%, Previous 0.5%.
- **US:** JOLTS Job Openings (Mar) – Expected 7,500k, Previous 7,568k.
- **US:** Conference Board Consumer Confidence (Apr) – Expected 88.0, Previous 92.9.