

Interest Rates			FX			Commodities US\$			
Australia		Δ bp	AUD/USD	0.6640	0.5%	WTI Crude Oil	60.12	\$0.45	
	90-day Bill	3.69	1	AUD/JPY	103.03	0.5%	Brent Crude Oil	63.78	\$0.52
	3-year Bond	4.04	1	AUD/EUR	0.5702	0.5%	Mogas95*	77.41	\$0.80
	10-year Bond	4.72	3	AUD/GBP	0.4981	0.4%	CRB Index	305.97	2.05
			AUD/NZD	1.1483	0.1%	Gold	4206.13	\$0.71	
			AUD/CNY	4.6941	0.3%	Silver	58.58	\$1.47	
US			EUR/USD	1.1647	0.0%	Iron Ore (62% Fe)**	102.70	-\$1.55	
	2-year	3.56	4	USD/JPY	155.17	0.0%	Iron Ore (25-26 Average)	103.20	-\$0.01
	10-year	4.13	3	USD/CNY	7.0711	0.0%	Copper	11620.50	\$170.50
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.60	ASX200	8608	-11	
			Interbank O/N Cash Rate		3.60	Dow Jones	47955	104	
	Japan	1.95	1	Probability of a 25bps Cut in Dec		0.0%	S&P500	6870	13
	Germany	2.80	3	RBA Bond Holdings (28 Nov)		A\$250.3b	Stoxx600	579	0
	UK	4.48	4				CSI300	4585	38

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

**Iron ore is the second SGX futures contract.

US stocks inched higher on Friday, as the belated personal income and outlays report for September boosted the case for a 25bps fed funds rate cut on Wednesday. US Treasury yields rose across the yield curve, while the US dollar was little changed.

The Australian dollar continued to benefit from the positive global market sentiment. The AUD/USD hit its highest level in a month, while the AUD/JPY remains the highest since mid-2024. Commonwealth bond yields edged a little higher, with the 10-year yield hitting a fresh two-year high.

The ASX 200 closed 0.2% higher on Friday, with losses and gains almost equally spread across industries. Consumer discretionary stocks saw the largest drop, while materials led the gains. The Aussie share market opened lower this morning.

According to the September personal income and outlays report, which was delayed by the US Government shutdown, US personal spending rose by 0.3% in September in nominal terms, but was flat in real terms during the month. This came as the PCE price index picked up by 0.3%, in line with market expectations, taking the annual rate of PCE price inflation – which is targeted by the Fed – 0.1ppts up to a near 1.5-year high of 2.8% (also as anticipated). However, annual core PCE inflation ebbed by 0.1ppts to 2.8% in September, the first decline since April when the ‘reciprocal’ tariffs were announced.

The preliminary University of Michigan consumer survey for December pointed to a 4.5% rise in consumer confidence, although it remains depressed at just 53.3 index points. The rise was driven by expectations, which improved to a less pessimistic level, while the current conditions subindex reached the monthly series low (since 1978).

The survey also saw US consumer inflation expectations decline to 4.1% for the one-year horizon and 3.2% for the five-to ten-year horizon; in both cases, these are the lowest levels since US President Donald Trump’s inauguration in January. The report has been perceived as less credible since the data collection method changed to an online survey last year. The New York Fed survey of expectations, which is the FOMC’s preferred source, will be published tonight.

The highlights **this week** will be the RBA monetary policy decision tomorrow (with no changes expected), the results of the November labour force survey on Thursday, and the NAB business survey for November tomorrow. The key event offshore will be the FOMC decision on Wednesday. The US job openings and labour turnover survey (JOLTS) for October will be released on Tuesday. Chinese trade data for November is due this morning and inflation for November will be released on Wednesday. The Bank of Canada is scheduled to announce a rate decision on Wednesday.

Economic Data Review

- **US:** Personal Spending (MoM, Sep) – Actual 0.3%, Expected 0.3%, Previous 0.5% (revised).
- **US:** PCE Price Index (MoM, Sep) – Actual 0.3%, Expected 0.3%, Previous 0.3%.
- **US:** University of Michigan Consumer Confidence (Dec, prel.) – Actual 53.3, Expected 52.0, Previous 51.0.

Economic Data Preview

- **CH:** Trade Surplus (Dec) – Expected US\$103.10b, Previous US\$90.7b.
- **US:** New York Fed One-year Consumer Inflation Expectations (Nov) – Previous 3.2%.