

Interest Rates			FX			Commodities		
<b>Australia</b>		$\Delta$ bp	AUD/USD	0.7215	-0.5%	WTI Crude Oil	101.66	\$0.57
90-day Bill	4.44	0	AUD/JPY	114.27	-0.2%	Brent Crude Oil	106.34	\$0.63
3-year Bond	4.69	0	AUD/EUR	0.6187	-0.1%	Mogas95*	131.68	\$0.92
10-year Bond	5.02	-1	AUD/GBP	0.5389	0.5%	CRB Index	400.28	-4.11
			AUD/NZD	1.2226	0.0%	Gold	4630.57	-\$70.16
			AUD/CNY	4.9034	-0.5%	Silver	83.00	-\$4.50
<b>US</b>			EUR/USD	1.1660	-0.5%	Iron Ore (61% Fe)**	110.55	-\$0.15
2-year	4.03	5	USD/JPY	158.39	0.4%	Iron Ore (25-26 Average)	103.85	\$0.03
10-year	4.49	3	USD/CNY	6.7872	-0.1%	Copper	13938.50	-\$214.50
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.35		ASX200	8680	56
Japan	2.67	6	Interbank O/N Cash Rate	4.35		Dow Jones	50063	370
Germany	3.04	-6	Probability of a 25bps Hike in Jun	17.1%		S&P500	7501	57
UK	4.99	-7	RBA Bond Holdings (30 Apr)	A\$230.3b		Stoxx600	616	5
						CSI300	4915	-84

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

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

Further optimism about the artificial intelligence revolution took the S&P 500 and tech-heavy Nasdaq to fresh record highs, with the former surpassing the 7,500-point mark for the first time. The market value of semiconductor manufacturer Nvidia has approached a whopping US\$6 trillion. The gains on Wall Street remain quite narrow, with the S&P 500 excluding artificial intelligence enablers, such as Nvidia, remaining 1.7% below its record high.

Market participants did not focus much on the US-China summit, which brought no major breakthroughs, with the highlights being reported geopolitical tensions around Taiwan and the closure of the Strait of Hormuz. According to press reports, more Chinese vessels were allowed to cross the Strait at the time of the summit.

Despite some encouraging news about the Strait, oil prices are somewhat higher, while US Treasury yields have resumed climbing. The US dollar is also somewhat stronger than it was yesterday morning.

The better global market sentiment did not help the Aussie dollar, which weakened against all the major currencies except for the British pound. The GBP was hit by political uncertainty in the UK, where calls for the resignation of Prime Minister Keir Starmer have intensified further.

In contrast to their US equivalents, Commonwealth bond yields are broadly steady. The ASX 200 closed 0.1% higher after a choppy session yesterday, with losses in most industries offset by gains in financials, utilities, and industrials. The Aussie share market opened higher this morning.

Data-wise, US retail sales rose by 0.5% in April, as did the retail sales control group, which excludes food services, car dealers, building materials, and petrol stations, and is a good proxy for personal consumption in the national accounts. The contribution of petrol stations to retail sales declined, as the rise in fuel prices was somewhat smaller than in March.

Meanwhile, US import prices rose by 1.9% in April, the most in over four years, with more than half of the increase coming from petroleum. Annual import price inflation picked up to 4.4%, the highest level since September 2022. US export prices rose by 3.3% MoM and 8.8% YoY, with a surge in export values for fuels and lubricants.

US initial jobless claims picked up to a still-moderate 211k last week, while continued claims approached 1.8 million in the week ending 9 May.

Across the Atlantic, UK GDP picked up by 0.6% in Q1, with a solid rise in private consumption and government spending, and a negative contribution from investment and net exports.

### Economic Data Review

- **UK:** GDP (QoQ, Q1) – Actual 0.6%, Expected 0.6%, Previous 0.1%.
- **US:** Retail Sales (MoM, Apr) – Actual 0.5%, Expected 0.5%, Previous 1.6% (revised).
- **US:** Initial Jobless Claims (w/e 9 May) – Actual 211k, Expected 205k, Previous 199k (revised).

### Economic Data Preview

- **US:** Industrial Production (MoM, Apr) – Expected 0.3%, Previous -0.5%.