

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.6499	0.8%	WTI Crude Oil	76.48	-\$1.26
90-day Bill	4.35	0	AUD/JPY	97.79	0.6%	Brent Crude Oil	81.60	-\$1.17
3-year Bond	3.81	-7	AUD/EUR	0.6056	0.5%	Mogas95*	100.42	-\$2.13
10-year Bond	4.20	-8	AUD/GBP	0.5172	0.9%	CRB Index	270.19	-2.86
			AUD/NZD	1.0669	0.1%	Gold	1993.94	\$2.62
			AUD/CNY	4.6695	0.6%	Silver	22.37	\$0.31
US			EUR/USD	1.0733	0.2%	Iron Ore (62% Fe)**	129.25	\$1.15
2-year	4.57	-9	USD/JPY	150.46	-0.2%	Iron Ore (23-24 Average)	121.53	\$0.06
10-year	4.25	-7	USD/CNY***	7.1936	0.0%	Copper	8197.00	-\$63.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7609	107
			Interbank O/N Cash Rate	4.32		Dow Jones	38424	152
			Probability of a 25bps Cut in Mar	6.8%		S&P500	5001	47
			RBA Bond Holdings (31 Jan)	A\$336.1b		Stoxx600	485	2
						CSI300***	3365	0
Other 10-year								
Japan	0.74	-3						
Germany	2.34	-6						
UK	4.04	-11						

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

**Iron ore is the second SGX futures contract.

***No change due to the Chinese New Year Holiday.

US stocks bounced back overnight as the losses on Tuesday attracted dip buyers, while US Treasury yields declined amid some soothing Fedspeak. This followed gains in Europe, partly supported by the rise in Bank of England rate cut expectations following a downside surprise to the UK CPI figures.

The improved global market sentiment supported the Aussie dollar, which appreciated against all the major currencies, with the AUD/USD rising to just below US\$0.65. The ASX 200 closed 0.9% lower yesterday, as spillovers from the Tuesday night sell-off on Wall Street were amplified by disappointing finance and real estate earnings results. The ASX 200 has followed Wall Street higher this morning, while Commonwealth bond yields fell.

In commodity markets, oil prices fell as US crude inventories rose last week and evidence is mounting that some OPEC+ countries are not complying with the supply targets. Iron ore futures rose by 0.9% yesterday.

Chicago Fed President Austan Goolsbee (not voting this year) made some comments on the upside surprise to the [US CPI for January](#), stressing that the Fed does not target CPI inflation, but PCE inflation, and that setbacks are natural during the disinflation process. He added that he does not support the view that the FOMC needs to wait with rate cuts until inflation reaches the 2% goal.

At the same time, Fed Vice Chair Michael Barr said that the FOMC members need to see more data before considering rate cuts.

Across the Atlantic, the UK CPI dropped by 0.6% in January, more than the 0.3% decline pencilled in by consensus, although the annual rate of inflation remained at 4%, twice the Bank of England's inflation target.

From domestic data, NAB/SEEK job ads rose by 1.3% in January. They remain over 30% below the May 2022 peak but are around 15% higher than before COVID-19 hit. Job ads continued to fall in trend terms, but the pace of decline has slowed to 0.5% from 0.8% previously. The number of applications per ad continued to climb in December 2023, to be the highest since late 2020.

ECONOMIC DATA REVIEW

- **AU:** NAB/SEEK Job Ads (MoM, Jan) – Actual 1.3%, Previous 0.8%.
- **UK:** CPI (MoM, Jan) – Actual -0.6%, Expected -0.3%, Previous 0.4%.

ECONOMIC DATA PREVIEW

- **AU:** Employment (monthly change, Jan) – Expected 25.0k, Previous -65.1k.
- **AU:** Unemployment Rate (Jan) – Expected 4.0%, Previous 3.9%.
- **JP:** GDP (QoQ, Q4) – Expected 0.2%, Previous -0.7%.
- **UK:** GDP (QoQ, Q4) – Expected -0.1%, Previous -0.1%.
- **US:** Retail Sales (MoM, Jan) – Expected -0.2%, Previous 0.6%.
- **US:** Industrial Production (MoM, Jan) – Expected 0.2%, Previous 0.1%.

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