

Interest Rates			FX			Commodities US\$			
Australia		Δ bp	AUD/USD	0.6669	0.3%	WTI Crude Oil	63.36	\$0.56	
	90-day Bill	3.56	-2	AUD/JPY	98.32	0.2%	Brent Crude Oil	67.54	\$0.48
	3-year Bond	3.42	-3	AUD/EUR	0.5669	0.0%	Mogas95*	80.91	\$1.13
	10-year Bond	4.22	-4	AUD/GBP	0.4903	0.0%	CRB Index	305.47	3.75
			AUD/NZD	1.1180	0.1%	Gold	3682.83	\$47.02	
			AUD/CNY	4.7495	0.2%	Silver	42.66	\$0.48	
US			EUR/USD	1.1762	0.3%	Iron Ore (62% Fe)**	107.15	\$1.60	
	2-year	3.53	-2	USD/JPY	147.41	-0.2%	Iron Ore (25-26 Average)	101.76	\$0.11
	10-year	4.04	-3	USD/CNY	7.1185	-0.1%	Copper	10186.50	\$119.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.60	ASX200	8879	72	
			Interbank O/N Cash Rate		3.60	Dow Jones	45883	49	
	Japan	1.59	0	Probability of a 25bps Cut in Sep		8.0%	S&P500	6615	31
	Germany	2.69	-2	RBA Bond Holdings (29 Aug)		A\$272.1b	Stoxx600	557	2
	UK	4.63	-4				CSI300	4533	11

\*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 and Nasdaq ticked up to fresh record highs in anticipation of a fed funds rate cut tomorrow night. US Treasury yields retreated, while the US dollar depreciated sharply.

Market sentiment could have also been helped by encouraging comments on the US-China trade talks made by US President Donald Trump on a social media platform. President Trump added that he will be having a phone conversation with his Chinese counterpart Xi Jinping.

According to press reports released after the US market closed, a US federal appeals court ruled that President Trump cannot dismiss Fed Governor Lisa Cook from her office, meaning that she will participate in the FOMC meeting starting tonight. Governor Cook is considered as one of the strongest doves on the Committee.

The gains on Wall Street followed mixed results in Europe and the Asia-Pacific region. Chinese investors shrugged off the soft economic activity data, with the CSI 300 closing 0.2% up yesterday after declining on Friday. The ASX 200 ebbed by 0.1% yesterday, with most sectors ending the day higher.

The Australian dollar appreciated against the weaker greenback and Japanese yen. The AUD/USD is now the strongest since early November 2024. Commonwealth bond yields declined in line with their US equivalents.

In commodity markets, the widely expected resumption of fed funds rate cuts saw the gold price bounce to a fresh record high yesterday. Oil prices picked up slightly in reaction to more Ukrainian attacks on Russian oil facilities. Iron ore futures picked up amid hopes that the weak economic data released yesterday will prompt the Chinese authorities to roll out stimulus measures.

The Chinese activity data for August confirmed the ongoing and broad-based slowdown in the economy. Retail sales growth slowed to 3.4% YoY, which is the slowest pace since November last year. Industrial production growth decelerated to a one-year low of 5.2% YoY, with steel output still on a decline.

Chinese urban fixed asset investment rose by just 0.5% YoY YtD, which is the worst outcome in five years. Property investment dropped by 12.9% YoY YtD, with a worse outcome registered only once, at the height of the early COVID-19 outbreak in February 2020. Property sales fell by 7.0% YoY YtD, the most this year so far.

In Australia, the weekly ANZ Roy Morgan consumer confidence dropped by 3.8% last week, as consumer inflation expectations rose back by 0.2ppts to 4.9%.

### Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 13 Sep) – Actual 85.9, Previous 89.3.
- **CH:** Retail Sales (MoM, Jul) – Actual 3.4%, Expected 3.8%, Previous 3.7%.
- **CH:** Industrial Production (YoY, Aug) – Actual 5.2%, Expected 5.6%, Previous 5.7%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Aug) – Actual 0.5%, Expected 1.5%, Previous 1.6%.
- **US:** New York Fed Empire State Manufacturing (Sep) – Actual -8.7, Expected 5.0, Previous 11.9.

### Economic Data Preview

- **UK:** Unemployment Rate (Jul) – Expected 4.7%, Previous 4.7%.
- **US:** Retail Sales (MoM, Aug) – Expected 0.3%, Previous 0.5%.
- **US:** Industrial Production (MoM, Aug) – Expected -0.1%, Previous -0.1%.