

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6482	-0.1%	WTI Crude Oil	72.68	\$0.16
90-day Bill	4.35	0	AUD/JPY	96.34	-0.2%	Brent Crude Oil	77.99	\$0.35
3-year Bond	3.70	2	AUD/EUR	0.6033	0.2%	Mogas95*	97.02	\$2.09
10-year Bond	4.13	3	AUD/GBP	0.5171	0.5%	CRB Index	268.19	0.45
			AUD/NZD	1.0707	-0.2%	Gold	2025.25	-\$9.29
			AUD/CNY	4.6694	-0.4%	Silver	22.31	-\$0.27
US			EUR/USD	1.0742	-0.3%	Iron Ore (62% Fe)**	124.50	-\$2.45
2-year	4.45	2	USD/JPY	148.64	-0.1%	Iron Ore (23-24 Average)	121.24	\$0.02
10-year	4.14	6	USD/CNY	7.1985	0.1%	Copper	8359.50	-\$122.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7547	-49
			Interbank O/N Cash Rate	4.32		Dow Jones	38380	-274
Other 10-year			Probability of a 25bps Cut in Feb	5.0%		S&P500	4943	-16
Japan	0.74	1	RBA Bond Holdings (31 Jan)	A\$336.1b		Stoxx600	484	0
Germany	2.32	7				CSI300	3200	21
UK	4.01	9						

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

**Iron ore is the second SGX futures contract.

US equities declined last night, while Treasury yields picked up, as the strong ISM data and comments by Fed Chair Jerome Powell supported the view that the FOMC will not embark on rate cuts soon. The Australian dollar depreciated slightly against the stronger greenback and Japanese yen, but is up versus the euro and British pound.

In local markets, the ASX 200 fell 0.95% yesterday, while Commonwealth bond yields opened higher this morning.

The US ISM services PMI rose 2.9pts to 53.4 in January (above 50 = expansion). Details of the report pointed to a small rise in employment, following a contraction in December, and marked acceleration in price growth, with respondents of the survey pointing to disruptions at Suez and Panama canals impacting transport costs.

In an interview yesterday morning (AWST), Fed Chair Jerome Powell repeated that the FOMC is unlikely to cut interest rates at the March meeting, while Minneapolis Fed President Neel Kashkari and his Chicago counterpart Austan Goolsbee said they need to see more data before deciding on rate cuts.

The Chinese Caixin services PMI declined 0.2pts to 52.7 in January, while market expectations were for a 0.1pts rise to 53.0. From other China news, the CSI 300 gained 0.7% in a volatile session on Monday after the Chinese authorities pledged to take measures to stabilise the market, including a crackdown on short selling and insider trading.

Australia's goods trade surplus declined A\$805m to A\$10,959m, dragged down by a 4.8% rise in imports, led by passenger vehicles and parts for transport equipment, partly offset by a 1.8% increase in exports.

The Melbourne Institute inflation gauge rose 0.3% MoM and 4.6% YoY in January. This indicator is modelled on the official CPI basket, but the sample size is much smaller. It is not targeted by the RBA.

ANZ job ads rose by 1.7% in January following an upwardly revised increase of 0.6% in the previous month. Job ads appear to be stabilising at an elevated level, after sliding over the previous year.

The ANZ Roy Morgan consumer confidence index rose 1.6% last week, but remains depressed, while inflation expectations declined 0.2ppt to 4.9%, the lowest since mid-September 2023.

ECONOMIC DATA REVIEW

- **AU:** Goods Trade Balance (Dec) – Actual A\$10,959m, Expected A\$10,500m, Previous A\$11,764m (revised).
- **AU:** Melbourne Institute Inflation Gauge (MoM, Jan) – Actual 0.3%, Previous 1.0%.
- **AU:** ANZ Job Ads (MoM, Jan) – Actual 1.7%, Previous 0.6% (revised).
- **CH:** Caixin Services PMI (Jan) – Actual 52.7, Expected 53.0, Previous 52.9.
- **US:** ISM Services PMI (Jan) – Actual 53.4, Expected 51.7, Previous 50.5 (revised).

ECONOMIC DATA PREVIEW

- **AU:** RBA Decision (Cash Rate Target) – Expected 4.35%, Previous 4.35%.
- **AU:** RBA Governor Michelle Bullock Post-meeting Press Conference.
- **AU:** Quarterly RBA Statement on Monetary Policy.
- **AU:** Retail Sales Volumes (QoQ, Q4) – Expected 0.1%, Previous 0.1%.

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