

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6490	-0.6%	WTI Crude Oil	59.80	\$0.42
	90-day Bill	3.65	AUD/JPY	100.76	-0.2%	Brent Crude Oil	64.20	\$0.51
	3-year Bond	3.78	AUD/EUR	0.5601	-0.4%	Mogas95*	79.90	-\$1.34
	10-year Bond	4.48	AUD/GBP	0.4936	-0.6%	CRB Index	301.64	-0.71
US			AUD/NZD	1.1485	-0.2%	Gold	4037.13	-\$50.40
	2-year	3.61	AUD/CNY	4.6186	-0.5%	Silver	49.93	-\$0.87
	10-year	4.14	EUR/USD	1.1587	-0.2%	Iron Ore (62% Fe)**	103.85	\$1.35
			USD/JPY	155.26	0.4%	Iron Ore (25-26 Average)	103.00	\$0.03
Other 10-year			USD/CNY	7.1077	0.1%	Copper	10778.50	-\$73.50
			RBA Policy			Equities		
			O/N Cash Rate Target	3.60		ASX200	8557	-63
			Interbank O/N Cash Rate	3.60		Dow Jones	46590	-557
Japan	1.75	3	Probability of a 25bps Cut in Dec	5.6%		S&P500	6672	-62
Germany	2.71	-1	RBA Bond Holdings (31 Oct)	A\$272.1b		Stoxx600	572	-3
UK	4.54	-4				CSI300	4598	-30

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

**Iron ore is the second SGX futures contract.

The sell-off on Wall Street accelerated on Monday as investors grew anxious ahead of employment data on Thursday and Nvidia's earnings tomorrow. Declines were broad-based, with gains registered only for communication services and utilities. US Treasury yields declined at the back end of the yield curve, while the US dollar continued to appreciate.

The deterioration in global market sentiment hit the Australian dollar, which depreciated against all major currencies. Commonwealth bond yields are also slightly down across the yield curve. The ASX 200 closed flat yesterday, with gains in most sectors, particularly information technology and energy, offset by losses in financials, health care, materials and utilities. The Aussie share market opened significantly lower this morning.

In commodity markets, the gold price declined to a one-week low and is quickly approaching the US\$4,000 an ounce mark, reflecting the recent slight decline in fed funds rate cut expectations. Oil and iron ore prices picked up overnight.

Fedspeak turned slightly more nuanced overnight, following a lot of hawkish comments last week.

Fed Vice Chair Philip Jefferson echoed comments made previously by his boss Jerome Powell, that the balance of risks appears to have shifted towards weakness in the labour market, while upside risks to inflation 'have likely declined somewhat recently'.

Fed Governor Christopher Waller advocated for further rate cuts, assessing that inflation is close enough to Fed's goal of 2% and there is evidence of weakness in US labour market. He also suggested that high costs of mortgage and car loan servicing might impact household spending.

Data-wise, the New York Fed Empire State Manufacturing index surged to the highest level in a year in November. The survey details pointed to a rise in new orders, improvement in employment conditions, and a slower increase in input cost and selling prices. At the same time, business optimism deteriorated in November, as companies expect prices to rise further.

Across the Pacific, Japanese GDP fell by 0.4% in Q3, somewhat less than the 0.6% decline expected by market participants. The fall was due to negative contributions from inventory changes and net exports, while business spending growth accelerated and private consumption saw only a marginal gain.

At home, ANZ Roy Morgan consumer confidence rose by 0.8% last week, supported by optimism during Black Friday sales. Consumer inflation expectations were unchanged at 5.2% for the third straight week.

Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 15 Nov) – Actual 84.2, Previous 83.5.
- **JP:** GDP (QoQ, Q3) – Actual -0.4%, Expected -0.6%, Previous 0.6% (revised).
- **US:** New York Fed Empire State Manufacturing Index (Nov) – Actual 18.7, Expected 5.8%, Previous 10.7.

Economic Data Preview

- **AU:** RBA Monetary Policy Board Minutes.