

Interest Rates (%)				FX			Commodities US\$		
Australia		Δ bp		AUD/USD	0.6499	-0.2%	WTI Crude Oil	64.54	\$1.33
	90-day Bill	3.71	0	AUD/JPY	94.09	0.6%	Brent Crude Oil	66.43	\$1.21
	3-year Bond	3.36	1	AUD/EUR	0.5701	0.3%	Mogas95*	76.48	\$0.53
	10-year Bond	4.27	0	AUD/GBP	0.4802	0.1%	CRB Index	300.89	2.27
				AUD/NZD	1.0798	0.3%	Gold	3311.00	-\$52.10
				AUD/CNY	4.6730	0.0%	Silver	36.01	\$0.28
				EUR/USD	1.1399	-0.5%	Iron Ore (62% Fe)**	95.25	-\$0.40
US	2-year	4.01	10	USD/JPY	144.77	0.8%	Iron Ore (24-25 Average)	101.18	-\$0.02
	10-year	4.50	11	USD/CNY	7.1926	0.2%	Copper	9693.00	-\$46.50
Other 10-year				RBA Policy			Equities		
				O/N Cash Rate Target		3.85	ASX200	8516	-27
				Interbank O/N Cash Rate		3.84	Dow Jones	42763	443
	Japan	1.48	3	Probability of a 25bps Cut in Jul		83.6%	S&P500	6000	61
	Germany	2.58	-1	RBA Bond Holdings (30 May)		A\$276.4b	Stoxx600	554	2
	UK	4.64	3				CSI300	3874	-4

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

**Iron ore is the second SGX futures contract.

US stocks bounced on Friday, with the S&P 500 closing at 6,000 for the first time since February, while US Treasury yields rose sharply and the greenback picked up, supported by a headline nonfarm payrolls number that was not quite as weak as expected by the market.

The mood on financial markets was also helped by news that US and Chinese officials will resume trade talks in London later today.

The Australian dollar depreciated against the stronger greenback but appreciated against the other major currencies. Aussie equities slipped 0.3% on Friday, with all the major industry sectors closing in the red except for energy and industrials. Commonwealth bond yields were relatively steady on Friday. Aussie bond and equity markets are closed for a public holiday in the eastern states today.

US nonfarm payrolls rose just 139k in May, however, this was not as weak as the 126k expected by the market. Nevertheless, this was a pretty soft number, made even weaker by a cumulative 95k in downgrades to payrolls in March and April. The unemployment rate, which is calculated from a separate much smaller household survey, was steady at 4.2%, as a fall in employment in that survey was offset by a 0.2ppts drop in the labour force participation rate to 62.4%, equal to the lowest since late 2022. If you're not in the labour force you're not counted as unemployed. Average hourly earnings gained 0.4% in the month, with annual wages growth steady at 3.9% for the fifth month in a row.

Oil prices picked up amid news of US-China trade talks this week, while gold prices retreated. China is also reportedly easing up on some of its restrictions on rare earths exports.

It will be a quieter [week](#) domestically, with the June Westpac consumer sentiment and the May NAB business report tomorrow being the only releases of note. The week will be busier offshore, with US and Chinese inflation figures as well as the Chinese trade report due; all these releases are for May. The University of Michigan consumer confidence report for June is also due and will contain consumer inflation expectations, which are an important focus of the Fed.

Economic Data Review

- **US:** Nonfarm Payrolls (monthly change, May) – Actual 139k, Expected 126k, Previous 147k (revised).
- **US:** Unemployment Rate (May) – Actual 4.2%, Expected 4.2%, Previous 4.2%.

Economic Data Preview

- **CH:** Trade Balance (May) – Expected US\$101.1b, Previous US\$96.2b.
- **CH:** CPI (YoY, May) – Expected -3.1%, Previous -2.7%.
- **CH:** PPI (YoY, May) – Expected -0.2%, Previous -0.1%.