

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7076	0.1%	WTI Crude Oil	63.70	\$0.81
90-day Bill	3.96	1	AUD/JPY	108.55	0.3%	Brent Crude Oil	68.65	\$0.89
3-year Bond	4.24	-1	AUD/EUR	0.5971	0.2%	Mogas95*	76.44	\$0.47
10-year Bond	4.71	0	AUD/GBP	0.5192	0.2%	CRB Index***	306.54	0.00
			AUD/NZD	1.1727	0.0%	Gold	4979.50	-\$38.41
			AUD/CNY	4.8872	0.0%	Silver	76.05	-\$0.39
US			EUR/USD	1.1850	-0.1%	Iron Ore (62% Fe)**	96.95	-\$0.15
2-year***	3.41	0	USD/JPY	153.41	0.3%	Iron Ore (25-26 Average)	103.32	-\$0.04
10-year***	4.04	0	USD/CNY	6.9049	0.0%	Copper	12850.50	-\$30.50
			RBA Policy			Equities		
Other 10-year			O/N Cash Rate Target	3.85		ASX200	8980	48
Japan	2.20	0	Interbank O/N Cash Rate	3.85		Dow Jones***	49501	0
Germany	2.75	0	Probability of a 25bps Hike in Mar	13.3%		S&P500***	6836	0
UK	4.40	-2	RBA Bond Holdings (30 Jan)	A\$250.2b		Stoxx600	619	1
						CSI300***	4660	0

*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 a public holiday.

It was a quiet night in global financial markets, with US investors away for George Washington's Birthday holiday. European bourses and share markets in the Asia-Pacific region closed mixed. The ASX 200 closed 0.2% higher yesterday, with gains in most sectors led by information technology, before opening in the black again this morning. The Aussie share market is just 1.3% below its record high from October.

The US Treasury market was also closed yesterday, while Japanese government bond yields were steady, despite a downside surprise to Q4 GDP. German bund yields were also little changed, while UK gilt yields declined somewhat ahead of labour market figures scheduled for this afternoon. Commonwealth bond yields declined at the front end, but were little changed for longer maturities.

In the foreign exchange market, the US dollar appreciated a bit further but remained just 0.9% above its four-year low from late January. The Australian dollar appreciated against all major currencies. The AUD/USD remains above US\$0.70.

Turning to commodities, oil prices picked up on reports that Iran's Revolutionary Guard had launched naval drills in the Strait of Hormuz, which is responsible for around 20% of global oil shipments. The gold price dropped slightly below US\$5,000 an ounce regardless, while the silver price was quite steady. Iron ore futures ebbed by another 0.2%.

Data-wise, the Japanese GDP ticked up by 0.1% in Q4, less than the 0.4% pencilled in by the consensus, while the Q3 decline turned out to be somewhat deeper than first estimated (-0.7% against -0.6%). The downside surprise was mainly due to slower-than-expected growth in business investment (0.2% instead of 0.6%). Private consumption rose by just 0.1%, as expected. Net exports made no contribution to GDP growth in Q4, while a change in inventories subtracted from growth.

Euro area industrial production declined by 1.4% in December, following a downwardly revised gain of 0.3% in the previous month. Manufacturing in the monetary union continues to grapple with a decline in cost competitiveness due to higher costs of energy, the impacts of US tariffs, and the intensification of competition from China. The exceptionally cold weather could have also weighed on euro area activity towards the end of 2025.

At home, the ANZ Roy Morgan consumer sentiment picked up by 0.3% last week, following a strong fall triggered by the RBA cash rate hike decision in early February. Consumer inflation expectations rose back to 5.5%.

Economic Data Review

- **AU:** ANZ Roy Morgan Consumer Sentiment (w/e 14 Feb) – Actual 77.1, Previous 76.9.
- **JP:** GDP (QoQ, Q4) – Actual 0.1%, Expected 0.4%, Previous -0.7% (revised).
- **EZ:** Industrial Production (MoM, Dec) – Actual -1.4%, Expected -1.5%, Previous 0.3% (revised).

Economic Data Preview

- **AU:** RBA Monetary Policy Board Minutes.
- **UK:** Unemployment Rate (Oct-Dec) – Expected 5.2%, Expected 5.1%.