

| Interest Rates |              |      | FX                      |                                    |        | Commodities         |                          |          |          |
|----------------|--------------|------|-------------------------|------------------------------------|--------|---------------------|--------------------------|----------|----------|
| Australia      |              | Δ bp | AUD/USD                 | 0.6621                             | -0.2%  | WTI Crude Oil       | 55.89                    | -\$0.78  |          |
|                | 90-day Bill  | 3.73 | 1                       | AUD/JPY                            | 102.41 | -0.3%               | Brent Crude Oil          | 58.92    | -\$1.64  |
|                | 3-year Bond  | 4.11 | 3                       | AUD/EUR                            | 0.5635 | -0.2%               | Mogas95*                 | 71.44    | -\$2.42  |
|                | 10-year Bond | 4.73 | 1                       | AUD/GBP                            | 0.4932 | -0.5%               | CRB Index                | 291.69   | -3.81    |
|                |              |      | AUD/NZD                 | 1.1460                             | -0.1%  | Gold                | 4312.79                  | \$6.18   |          |
|                |              |      | AUD/CNY                 | 4.6738                             | -0.1%  | Silver              | 63.94                    | \$0.08   |          |
| US             |              |      | EUR/USD                 | 1.1749                             | -0.1%  | Iron Ore (62% Fe)** | 102.90                   | \$1.00   |          |
|                | 2-year       | 3.49 | -1                      | USD/JPY                            | 154.67 | -0.1%               | Iron Ore (25-26 Average) | 103.13   | \$0.00   |
|                | 10-year      | 4.15 | -2                      | USD/CNY                            | 7.0426 | -0.1%               | Copper                   | 11592.00 | -\$63.50 |
|                |              |      | RBA Policy              |                                    |        | Equities            |                          |          |          |
| Other 10-year  |              |      | O/N Cash Rate Target    |                                    | 3.60   | ASX200              | 8566                     | -90      |          |
|                |              |      | Interbank O/N Cash Rate |                                    | 3.60   | Dow Jones           | 48114                    | -302     |          |
|                | Japan        | 1.96 | -1                      | Probability of a 25bps Hike in Feb |        | 35.8%               | S&P500                   | 6800     | -16      |
|                | Germany      | 2.85 | -1                      | RBA Bond Holdings (28 Nov)         |        | A\$250.3b           | Stoxx600                 | 580      | -3       |
|                | UK           | 4.52 | 2                       |                                    |        |                     | CSI300                   | 4498     | -55      |

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

\*\*Iron ore is the second SGX futures contract.

The declines on Wall Street accelerated last night after a rise in non-farm payrolls in November surprised to the upside. The US dollar appreciated slightly, while US Treasury yields declined as other labour market data and PMIs were mostly disappointing.

The Australian dollar depreciated against all the major currencies, while Commonwealth bond yields picked up, especially at the front end of the yield curve. The ASX 200 fell by another 0.4% yesterday, with losses in all sectors except for industrials and consumer staples. The Aussie share market opened lower this morning.

US non-farm payrolls rose by 64k in November, more than the 50k pencilled in by the market consensus, following a 105k drop in October driven by the government sector amid DOGE-related layoffs. In both October and November, the strongest gain in payrolls was recorded in health care and social assistance (64.6k and 64.0k, respectively).

The US unemployment rate stood at 4.6% in November, which is 0.2ppts higher than in September (there is no data for October), 0.1ppts above the market consensus and at an over four-year high. The participation rate rose by 0.1ppts to 62.5%. Average hourly earnings picked up by 0.1% MoM and 3.5% YoY, which was a slight downside surprise to the markets that had expected growth of 0.2% MoM and 3.6% YoY.

According to alternative labour market data, the weekly ADP employment report showed the four-week average change in private payrolls rising to 16.3k last week, the most since the series were first published (in August).

Speaking overnight, Atlanta Fed President Raphael Bostic said that, in his opinion, inflation risks are 'clearer and more pressing' than those coming from the labour market. He added that he does not expect price pressures to ease until mid-2026, and assessed that inflation will most likely remain above 2.5% until the end of next year.

Coming back to US data, retail trade growth was flat in November, while the October gain was revised slightly to the downside (to +0.1% from +0.2% estimated previously). However, the retail sales control group, which excludes food, cars, building materials and petrol and is a good gauge of consumer spending, bounced by 0.8%, the most since June.

The US S&P Global composite PMI unexpectedly fell by 1.2pts to 53.0 in December (above 50 = expansion), with growth slowing both in services (-1.2pts to 52.9) and manufacturing (-0.4pts to 51.8). The details of the report pointed to slower employment growth, with stagnation in services, as well as higher cost and price inflation.

PMIs also pointed to slower growth in the euro area, with an unexpected acceleration in UK growth and deceleration in Japanese growth. Contraction in manufacturing continued in the euro area, especially in Germany, as well as in Japan.

### Economic Data Review

- **US:** Non-farm Payrolls (monthly change, Nov) – Actual 64k, Expected 50k, Previous -105k.
- **US:** Unemployment Rate (Nov) – Actual 4.6%, Expected 4.5%.
- **US:** Retail Sales (MoM, Nov) – Actual 0.0%, Expected 0.1%, Previous 0.1% (revised).
- **US:** S&P Global Composite PMI (Dec, flash) – Actual 53.0, Expected 53.9, Previous 54.2.

### Economic Data Preview

- **UK:** CPI (MoM, Nov) – Expected 0.0%, Previous 0.4%.