

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6413	-0.3%	WTI Crude Oil	85.45	-\$0.36
90-day Bill	4.36	0	AUD/JPY	99.19	-0.1%	Brent Crude Oil	90.11	-\$0.47
3-year Bond	3.94	7	AUD/EUR	0.6037	-0.3%	Mogas95*	106.97	-\$0.53
10-year Bond	4.39	8	AUD/GBP	0.5160	-0.2%	CRB Index	296.84	-1.34
			AUD/NZD	1.0878	-0.3%	Gold	2381.80	-\$4.42
			AUD/CNY	4.6420	-0.4%	Silver	28.15	-\$0.81
US			EUR/USD	1.0622	0.0%	Iron Ore (62% Fe)**	111.10	-\$0.95
2-year	4.98	6	USD/JPY	154.66	0.2%	Iron Ore (23-24 Average)	119.09	-\$0.02
10-year	4.67	7	USD/CNY	7.2378	0.0%	Copper	9468.00	-\$108.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	7602	-81
			Interbank O/N Cash Rate	4.32		Dow Jones	37799	64
Other 10-year			Probability of a 25bps Cut in May	7.8%		S&P500	5051	-10
Japan	0.88	0	RBA Bond Holdings (29 Mar)	A\$335.5b		Stoxx600	498	-8
Germany	2.49	5				CSI300	3511	-38
UK	4.30	6						

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

**Iron ore is the second SGX futures contract.

US equities were mixed overnight, while US Treasuries picked up in reaction to hawkish comments by Fed Chair Jerome Powell. The US dollar appreciated further and remains the strongest since early November.

The weaker global market sentiment saw the Aussie dollar depreciate further, with the AUD/USD hovering around five-month lows. Commonwealth bond yields followed their US equivalents higher. The ASX 200 registered a broad-based 1.8% drop yesterday, before opening virtually flat this morning.

Speaking last night, Fed Chair Powell said recent data has not given the Fed confidence that inflation is returning to target and it might take longer than previously expected to attain that confidence. He added that, if inflation remains higher, the FOMC will keep the fed funds rate unchanged 'for as long as needed'. Following these comments, fed funds rate cut expectations shifted further towards November.

US industrial production rose 0.4% in March, while February growth was revised up to 0.4% from 0.1%. Manufacturing saw a 0.5% increase in March, which followed the upgraded 1.2% bounce in February.

Chinese real GDP rose 5.3% over the year to Q1, significantly more than the 4.8% consensus, supported by acceleration in urban fixed asset investment growth, which saw a 4.5% YoY YtD increase in March, the fastest in a year. Retail sales and industrial production growth slowed, with steel output down 7.8% YoY.

The drop in Chinese steel output saw iron ore futures retreat 0.8% yesterday. Brent futures fell 0.6%, despite Israel officials reiterating that they will likely respond to Iran's weekend attack on their country. The gold price ebbed 0.1% from the record high.

Closer to home, Kiwi CPI, which is a good indicator of Aussie inflation, rose by 0.6% in Q1, to be up 4.0% YoY.

The International Monetary Fund (IMF) upgraded its 2024 global growth forecast by 0.1ppts to 3.2%, which is same as the 2023 growth estimate. There were upward revisions for the US, downgrades for the euro area and UK, while the Chinese 2024 growth forecast was kept unchanged at 4.6%, which is below the 'around 5%' growth target. For Australia, the IMF forecasts GDP growth to slow 0.6ppts to 1.5% in 2024, before picking up to 2.0% in 2025. Aussie CPI inflation is projected to decline to 3.5% in 2024 and 3.0% in 2025.

ECONOMIC DATA REVIEW

- **NZ:** CPI (QoQ, Q1) – Actual 0.6%, Expected 0.6%, Previous 0.5%.
- **CH:** GDP (YoY, Q1) – Actual 5.3%, Expected 4.8%, Previous 5.2%.
- **CH:** Retail Sales (YoY, Mar) – Actual 3.1%, Expected 4.8%, Previous 5.5% (Jan-Feb).
- **CH:** Industrial Production (YoY, Mar) – Actual 4.5%, Expected 6.0%, Previous 7.0% (Jan-Feb).
- **CH:** Urban Fixed Asset Investment (YoY YtD, Mar) – Actual 4.5%, Expected 4.0%, Previous 4.2%.
- **UK:** Unemployment Rate (Feb) – Actual 4.2%, Expected 4.0%, Previous 4.0% (revised).
- **US:** Industrial Production (MoM, Mar) – Actual 0.4%, Expected 0.4%, Previous 0.4% (revised).

ECONOMIC DATA PREVIEW

- **UK:** CPI (MoM, Mar) – Expected 0.4%, Previous 0.6%.

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