

Interest Rates				FX			Commodities		
Australia		Δ bp	AUD/USD	0.7012	0.1%	WTI Crude Oil	93.24	-\$0.62	
90-day Bill	4.77	2	AUD/JPY	110.40	-0.7%	Brent Crude Oil	105.98	\$0.04	
3-year Bond	5.03	0	AUD/EUR	0.6170	0.1%	Mogas95*	135.49	-\$0.66	
10-year Bond	5.42	2	AUD/GBP	0.5293	-0.2%	CRB Index	414.23	-9.09	
			AUD/NZD	1.2391	0.1%	Gold	4121.33	-\$148.19	
			AUD/CNY	4.7116	0.1%	Silver	60.72	-\$2.87	
US			EUR/USD	1.1365	-0.1%	Iron Ore (61% Fe)**	94.30	-\$1.35	
2-year	4.92	2	USD/JPY	157.45	-0.8%	Iron Ore (26-27 Average)	97.23	-\$0.10	
10-year	5.23	4	USD/CNY	6.7111	0.0%	Copper	14413.00	-\$208.00	
			RBA Policy			Equities			
			O/N Cash Rate Target		4.35	ASX200	8674	17	
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	51482	132	
Japan	3.11	0	Probability of a 25bps Hike in Sep		92.0%	S&P500	7684	-20	
Germany	3.64	4	RBA Bond Holdings (31 Aug)		A\$227.4b	Stoxx600	639	2	
UK	5.42	4				CSI300	4341	-98	

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

**Iron ore is the second SGX futures contract.

Changes since Friday's Daily Report

US equities slipped overnight, with the S&P 500 more than reversing Friday's gains to close at a 10-day low. Technology was the largest drag, although most sectors declined. The sell-off reflected renewed increases in oil prices and Treasury yields as optimism over a possible US-Iran agreement faded, pushing the 10-year yield to a fresh 19-year high. Oil rebounded after falling sharply on Friday, amid reports that Washington had rejected Iran's ceasefire proposal.

The decline followed a mixed European session, with the Stoxx 600 broadly unchanged. Most Asia-Pacific markets also fell, including mainland China, Japan and South Korea, although Hong Kong rose.

At home, the ASX 200 rose 0.2% yesterday, led by financials, while mining was the largest drag. Australian bond yields edged higher yesterday as traders continued to expect the RBA to lift the cash rate to a 15-year high today, although the three-year yield has eased in early trade today. The AUD/USD remained relatively steady, appearing to find support around US\$0.70 after falling sharply in the first half of last week.

In commodity markets, oil remained volatile as developments in the Middle East continued to drive sentiment. Gold fell to a seven-week low amid sharply higher bond yields, while iron ore futures dropped to their lowest since early August as uncertainty over the demand outlook persisted.

US durable goods orders were unchanged in August following a 0.9% rise in July. Core capital goods orders, which exclude defence and aircraft, increased 1.6% – their sixth rise in seven months – suggesting business investment remains robust.

The ANZ-Roy Morgan report showed Australian consumer confidence fell 1.5 points to 70.5 last week, its lowest since the end of May. The decline was led by weaker confidence in personal finances, likely reflecting expectations of an RBA cash rate increase. Inflation expectations eased 0.4 percentage points to 5.7%.

It will be a busy week domestically, with today's RBA Monetary Policy Board meeting the key event. A 25-basis-point cash rate increase is widely expected, with attention focused on signals of further tightening. The calendar also includes household spending on Tuesday, CPI and dwelling approvals on Wednesday, and the goods trade balance on Thursday, all for August.

The offshore calendar will also be busy, highlighted by the US employment report for September, US PCE price inflation for August, and the US and Chinese September PMIs.

Economic Data Review

- **AU:** ANZ-Roy Morgan Weekly Consumer Confidence (21-27 Sep) – Actual 70.5, Previous 72.0.
- **US:** Durable Goods Orders (MoM, Aug) – Actual 0.0%, Expected -0.3%, Previous 0.9% (revised).

Economic Data Preview

- **AU:** Household Spending Indicator (MoM, Aug) – Expected 0.4%, Previous 1.1%.
- **AU:** RBA Cash Rate Decision – Expected 4.60%, Previous 4.35%.
- **US:** Conference Board Consumer Confidence Index (Sep) – Expected 89.1, Previous 89.4.
- **US:** Job Openings (Aug) – Expected 7.2m, Previous 7.3m.