

Interest Rates				FX			X		
Australia		Δ bp	AUD/USD	0.6646	-0.3%	WTI Crude Oil	57.60	-\$0.33	
	90-day Bill	3.71	0	AUD/JPY	103.63	-0.1%	Brent Crude Oil	61.30	\$0.02
	3-year Bond	4.11	1	AUD/EUR	0.5665	-0.2%	Mogas95*	74.98	-\$0.83
	10-year Bond	4.75	3	AUD/GBP	0.4974	-0.1%	CRB Index	298.29	-2.49
			AUD/NZD	1.1458	-0.1%	Gold	4302.24	\$24.09	
			AUD/CNY	4.6941	-0.3%	Silver	62.04	-\$1.24	
US			EUR/USD	1.1732	-0.1%	Iron Ore (62% Fe)**	101.00	-\$1.20	
	2-year	3.52	-1	USD/JPY	155.93	0.2%	Iron Ore (25-26 Average)	103.13	-\$0.02
	10-year	4.18	3	USD/CNY	7.0550	0.0%	Copper	11515.00	-\$357.00
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.60	ASX200	8634	-49	
			Interbank O/N Cash Rate		3.60	Dow Jones	48458	-246	
	Japan	1.94	2	Probability of a 25bps Hike in Feb		26.9%	S&P500	6827	-74
	Germany	2.86	1	RBA Bond Holdings (28 Nov)		A\$250.3b	Stoxx600	578	-3
	UK	4.52	3				CSI300	4581	29

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

**Iron ore is the second SGX futures contract.

US stocks ended the trading week on the back foot, as investors appeared to have taken profits on their artificial intelligence-linked equities. The S&P 500 lost 1.1% on Friday, with information technology seeing the largest losses, while the tech-heavy Nasdaq lost 1.7%. There were several industries that managed to close in black, led by consumer staples. US Treasury yields rose at the back end of the curve, while the US dollar appreciated.

The Australian dollar was hit by profit-taking on Wall Street, depreciating against all the major currencies. Commonwealth bond yields picked up slightly across the yield curve. The ASX 200 surged by 1.2% on Friday, which was the ongoing reaction to a negative surprise to the [labour force survey for November](#). The Aussie share market opened sharply lower this morning. Cash rate hike expectations are holding steady, with a 25bps hike still around 1/3 priced in for February.

In commodity markets, oil prices were mixed over the weekend, as concerns over a possible attack on Venezuela continue to mount. The gold price picked up on geopolitical jitters, while iron ore futures declined.

From Fedspeak over the past few days, Chicago Fed President Austan Goolsbee explained that he had dissented against a rate cut last week, because he was eyeing for more data that would confirm that the inflationary impact of tariffs is only transitory. His Kansas Fed counterpart, Jeff Schmid, who also dissented last week, said that – just like at the previous FOMC meeting in October – he still reckons that inflation remains ‘too high’, while the labour market is ‘largely in balance’.

On the other side of the ledger, the newly elected Philadelphia Fed President Anna Paulson sees risks tilted to the labour market side and expects inflation to decline next year.

Across the Pacific, UK monthly GDP saw an unexpected second decline in a row in October, dragged down by a stronger-than-anticipated fall in construction and the surprising decline in services. At the same time, industrial production rose roughly in line with the market expectation.

A quiet [week](#) coming up domestically, with the Westpac-Melbourne Institute consumer sentiment report and the S&P Global flash PMI for December due tomorrow, being the only events in the calendar.

However, the week will be busy offshore, starting with the Chinese monthly activity indicators for November later today. Tomorrow will see December flash PMIs for the major advanced economies as well as US employment and retail sales data for November. Thursday's highlights will be the Bank of England and European Central Bank decisions, and the November CPI in the US. The week rounds out on Friday with the Japanese CPI for November and the Bank of Japan interest rate decision.

Economic Data Review

- **UK:** GDP (MoM, Oct) – Actual -0.1%, Expected 0.1%, Previous -0.1%.

Economic Data Preview

- **CH:** Retail Sales (YoY, Nov) – Expected 2.9%, Previous 2.9%.
- **CH:** Industrial Production (YoY, Nov) – Expected 5.0%, Previous 4.9%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Nov) – Expected -2.3%, Previous -1.7%.