

Interest Rates			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6878	-0.5%	WTI Crude Oil	107.18	\$1.82
90-day Bill	0.97	-1	AUD/JPY	88.42	-1.3%	Brent Crude Oil	108.62	\$1.42
3-year Bond	2.90	-14	AUD/EUR	0.6625	0.8%	Mogas95*	136.35	\$1.03
10-year Bond	3.35	-8	AUD/GBP	0.5632	-0.3%	CRB Index	304.06	-0.84
			AUD/NZD	1.1001	-0.1%	Gold	1822.93	-\$31.68
			AUD/CNY	4.6674	0.5%	Silver	20.80	-\$0.71
<b>US</b>			EUR/USD	1.0378	-1.3%	Iron Ore (62% Fe)**	125.58	-\$6.20
2-year	2.58	-5	USD/JPY	128.62	-0.7%	Iron Ore (21-22 Average)	138.73	-\$0.06
10-year	2.86	-2	USD/CNY	6.7860	1.0%	Copper	9090.00	-\$250.00
			RBA Policy			Equities		
			O/N Cash Rate Target	0.35%		ASX200	7018	34
			Interbank O/N Cash Rate	0.31%		Dow Jones	31730	-104
<b>Other 10-year</b>			Probability of a 50bps Hike in Jun	57.4%		S&P500	3930	-5
Japan	0.24	0	RBA Bond Holdings (29 Apr)	A\$355.6b		Stoxx600	424	-3
Germany	0.87	-10				CSI300	3959	-18
UK	1.70	-17						

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

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

US equity markets looked set to close sharply lower after a volatile session, before a late rally limited the losses. US Treasury yields are down across the yield curve and the US dollar index climbed to the highest level since December 2002.

The US PPI rose by 0.5% in April, to be 11.0% higher over the year. While this is slightly less than the 11.2% recorded in March, this is still the second highest reading on record (since 2010). The core (ex. food and energy) PPI rose a softer than expected 0.4%, to be up 8.8% YoY. Initial jobless claims unexpectedly rose to 203k last week, although this remains very low. Continued claims declined to a fresh 52-year low.

The late gains came after San Francisco Fed President Mary Daly (not voting this year) said that 75bps increases are not a primary consideration and she favours gradual 50bps rate hikes so as 'not to surprise Americans'.

The Australian dollar depreciated against all the major currencies but the euro, while Commonwealth bond yields fell, particularly at the short end of the yield curve. The ASX 200 lost another 1.8% yesterday but has opened higher this morning.

Australian payroll jobs declined by 0.8% in the month to 16 April, although this may have been impacted by the timing of Easter and school holidays. Payrolls were 2.0% higher than a year ago. The results were mixed across the industries, with mining seeing the largest gain in the month and through the year. All states and territories saw a monthly fall in jobs. Western Australian jobs declined the least of all states (-0.4%) and continued to lead the nation in terms of jobs growth throughout the pandemic, with a 7.9% gain.

Aussie total wages declined by 2.5% in the month but were still 7.4% up through the year. Western Australian wages declined by 4.5% and were 9.2% higher than a year ago, the most of all states.

The Western Australian government has issued the [State Budget 2022-23](#), with estimated GSP growth in 2021-22 revised up to 3.75% from the mid-year review forecast of 3.5% and 2022-23 forecast growth revised to 2.0% from 1.0%. The state of public finances remains very good. The net operating surplus for 2021-22 is estimated at A\$5.7b following a A\$5.8b surplus in 2020-21. Surpluses are forecast each year over the forward estimates to 2025-26. Net debt is projected to remain relatively stable and relatively low compared to the other states.

#### ECONOMIC DATA REVIEW

- **AU:** Payroll Jobs (MoM, w/e 16 Apr) – Actual -0.8%, Previous 1.0% (revised).
- **AU:** Total Wages (MoM, w/e 16 Apr) – Actual -2.5%, Previous 1.5% (revised).
- **UK:** GDP (QoQ, Q1) – Actual 0.8%, Expected 1.0%, Previous 1.3%.
- **US:** PPI (MoM, Apr) – Actual 0.5%, Expected 0.5%, Previous 1.6% (revised).
- **US:** Initial Jobless Claims (w/e 7 May) – Actual 203k, Expected 193k, Previous 200k.

#### ECONOMIC DATA PREVIEW

- **US:** University of Michigan Consumer Confidence (May) – Expected 64.0, Previous 65.2.

#### Disclaimer

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