



30 April 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

Financial markets maintained a positive tone choosing to look through weaker US economic data, including higher goods trade deficit, lower consumer sentiment, and a decline in job openings.

News that President Trump signed an executive order preventing import tariffs in the autos sector, set at 25%, from stacking up on top other tariffs added to the evidence that the US administration's tone is becoming more conciliatory.

The US equities were up again extending their rally to a sixth consecutive day, Treasury yields continued to decline, and USD appreciated slightly.

Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	Last	Change
TWI	59.9	-0.2%	30 day BBSY	4.02	-0.02
AUD/USD	0.6386	-0.7%	90 day BBSY	3.94	0.00
AUD/JPY	90.83	-0.5%	180 day BBSY	3.95	-0.01
AUD/GBP	0.4763	-0.5%	1 year swap	3.37	0.01
AUD/NZD	1.0764	0.1%	2 year swap	3.20	0.01
AUD/EUR	0.5609	-0.4%	3 year swap	3.22	-0.01
AUD/CNH	4.6415	-1.0%	4 year swap	3.32	0.00
AUD/SGD	0.8355	-0.8%	5 year swap	3.43	0.00
AUD/HKD	4.9539	-0.7%	6 year swap	3.56	0.00
AUD/CAD	0.8835	-0.7%	7 year swap	3.67	0.00
EUR/USD	1.1386	-0.3%	8 year swap	3.78	0.00
USD/JPY	142.27	0.2%	9 year swap	3.87	0.01
USD Index	99.19	0.2%	10 year swap	4.09	0.01

Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	8,071	0.9%	Australia		
S&P 500	5,561	0.6%	3 year bond	3.32	0.02
Japan Nikkei	35,840	0.4%	10 year bond	4.19	0.02
Hang Seng	22,008	0.2%	United States		
Euro Stoxx 50	5,162	-0.2%	3-month T Bill	4.18	-0.01
UK FTSE100	8,463	0.5%	2 year bond	3.65	-0.04
VIX Index	24.17	-3.9%	10 year bond	4.17	-0.04
			Other (10 year yields)		
Commodities	Current	Change	Germany	2.50	-0.02
CRB Index	294.23	-1.2%	Japan	1.32	0.00
Gold	3317.41	-0.8%	UK	4.48	-0.03
Copper	9440.00	0.7%			

			Sydney Futures Exchange	Current	Change
Oil (WTI futures)	60.42	-2.6%	10 yr bond	4.19	0.01
Coal (coking)	183.00	0.0%	3 yr bond	3.30	0.00
Coal (thermal)	103.20	1.3%	3 mth bill rate	3.88	0.02
Iron Ore	98.30	0.1%	SPI 200	8,112	0.3%
ACCU	34.38	-2.8%			

Data as at 8:00am AEST. Change is from the previous trading day (excluding the SFE, which is the change during the night session). Source: Bloomberg.

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Financial Markets:

Financial markets maintained a positive tone choosing to look through the weaker economic data released in the US. A further increase in the US goods trade deficit in March pointed to downside risks for US GDP growth in Q1, which will be announced today, while a drop in consumer sentiment alongside lower job openings signalled ongoing weakness this quarter. The dataflow from the euro area was less alarming suggesting that its growth might have improved in Q1. President Trump signed an executive order preventing import tariffs in the auto sector, set at 25%, from stacking up on top of other tariffs. The news added to the evidence that the US administration's tone is becoming more conciliatory.

- The US equities were up again, with the S&P500 gaining 0.6% and extending its rally to a sixth consecutive day. Domestic ASX200 outperformed rising 0.9%, while Asian equity markets recorded smaller gains. Euro Stoxx 50 lost 0.2%, with the lack of meaningful progress in the US negotiations with Russia weighing on investor sentiment.
- US Treasuries continued to rally – the 10Y yield dropped further 4bp to 4.17%, taking a cumulative decline over a week to more than 20bp. Bunds and Gilts also made gains, with slightly smaller decline in yields. Australian yields moved higher about 2bp across the curve. The 10Y point was up to 4.19% as the spread to the equivalent US Treasury turned positive for the first time in two weeks.
- In FX markets, USD strengthened 0.2% likely benefiting from the month-end positioning. EUR, GBP and JPY lost a similar amount. CAD was little changed following a confirmation the Liberal Party won the federal election in Canada, but fell short of a majority in the House of Commons. AUD was the worst performing major currency, slipping 0.7% below 0.64.
- With OPEC+ supply set to rise in coming days and demand being impacted by the trade war, crude tumbled lower for a second day. The June WTI contract fell 2.6% at \$60.4. Copper continued probing up towards \$9,500, helped by signs of strong demand in China, while aluminium also headed higher on the back of the news about US tariffs in the auto sector. Iron ore prices were little changed ahead of the coming Labor Day holiday in China which will see markets closed Thursday, Friday and Monday.

International Data:

The Conference Board Consumer Confidence Survey confirmed that consumer mood in the US is worsening very quickly. The survey's headline index dropped by almost 8 points in April to 86.0, accelerating after a 6.2-point decrease in March and extending the downward trend to a fifth month. Consumers were downbeat about the present situation – their assessment weakened by almost 1 point. However, they were

Today's key data and events

For	Data/Event	Exp	Prev
11:00am	NZ ANZ Business Confidence Apr	-	57.5pts
11:30am	AU Monthly CPI Indicator Mar	2.2%	2.4%
11:30am	AU Headline CPI Q1	0.8%	0.2%
11:30am	AU Trimmed Mean CPI Q1	0.6%	0.5%
11:30am	AU Private Sector Credit Mar	0.5%	0.5%
7:00pm	EZ GDP Q1 A	0.2%	0.2%
10:15pm	US ADP Employment Change Apr	115k	155k
10:30pm	US GDP Q1 A	0.3%	2.4%
10:30pm	US Employment Cost Index Q1	0.9%	0.9%
12:00am	US Personal Income Mar	0.4%	0.8%
12:00am	US Personal Spending Mar	0.6%	0.4%
12:00am	US PCE Deflator Mar	0.0%	0.3%
12:00am	US Core PCE Deflator Mar	0.1%	0.4%
12:01am	AU Corelogic Home Value Index Apr	-	0.4%

Times are AEST. All data forecasts are m/m or q/q and seasonally adjusted unless otherwise specified. Forecasts for Australian data are our forecasts and for other countries they are consensus forecasts.

much more concerned about the future. The forward-looking measure declined 12.5 to only 54.4, the lowest level since October 2011. There is little doubt that the pessimism is linked to tariffs and expectations that they will push consumer prices higher. This was reflected in consumer expectations for inflation one-year ahead which jumped to 7%yr. Consumer assessment of the labour market conditions also deteriorated.

The JOLTS Job Openings data suggested that conditions in the US labour market continued to ease in March. Job openings were down 288k to 7.19mn, the second lowest level since the pandemic. Vacancies declined most in transportation, a sign that the sector is preparing for a drop in imports due to higher tariffs. Vacancies in the public sector were also down significantly which could be reflecting the impact of the cuts initiated by the Department of Government Efficiency (DOGE).

The advanced estimate of the US Goods Trade Balance for March showed that the deficit widened to \$162bn, the highest level on record. Imports rose further from already very high levels in January and February, mainly driven by higher inflow of consumer goods ahead of the 'Liberation Day' tariff increases.

Ahead of the euro area Q1 GDP release today, Spain announced that its economic growth eased only very slightly, from 0.7%qtr to 0.6%qtr. With Belgium having reported an acceleration in growth from 0.2%qtr to 0.4%qtr and Ireland announcing a 3.2%qtr jump, the figures suggested that, despite the uncertainty from higher US tariffs over the course of the quarter, momentum in the euro area economy remained unchanged or potentially even improved in Q1, following a 0.2%qtr GDP increase in Q4 2024. The European Commission Economic Sentiment Indicator was consistent with easing economic conditions in April, however, the drop was relatively small, from 95.0 to 93.6, pointing to ongoing resiliency of the economy to the global uncertainty in Q2.



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