



30 July 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

Markets were in a holding pattern before today's US Fed announcement and the flow of key data picks up. Major US equity indices edged lower from their record highs, while across in Europe, equities retraced the falls recorded in yesterday's session.

The US yields curve shifted lower as the bond auction overnight attracted strong interest. The US dollar continued to edge higher, the euro was lower, while the Aussie extended its slide to lose ground for the fourth consecutive session.

The Q2 domestic inflation report is a key risk event with a trimmed mean of 0.7%qtr likely paving the way for a rate cut in August.

Crude markets were higher on news President Trump said he will give Russia 10 days to reach a truce with Ukraine, while iron ore stabilised.

Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	Last	Change
TWI	60.5	-0.3%	30 day BBSY	3.74	-0.01
AUD/USD	0.6511	-0.2%	90 day BBSY	3.76	0.00
AUD/JPY	96.70	-0.2%	180 day BBSY	3.84	-0.01
AUD/GBP	0.4877	-0.1%	1 year swap	3.38	-0.01
AUD/NZD	1.0936	0.1%	2 year swap	3.30	-0.02
AUD/EUR	0.5639	0.2%	3 year swap	3.35	-0.04
AUD/CNH	4.6758	-0.2%	4 year swap	3.46	-0.02
AUD/SGD	0.8388	-0.1%	5 year swap	3.56	-0.03
AUD/HKD	5.1114	-0.2%	6 year swap	3.68	-0.03
AUD/CAD	0.8966	0.0%	7 year swap	3.79	-0.03
EUR/USD	1.1547	-0.4%	8 year swap	3.89	-0.03
USD/JPY	148.49	0.0%	9 year swap	3.97	-0.04
USD Index	98.92	0.3%	10 year swap	4.20	-0.05
Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	8,705	0.1%	Australia		
S&P 500	6,371	-0.3%	3 year bond	3.46	-0.03
Japan Nikkei	40,675	-0.8%	10 year bond	4.33	-0.01
Hang Seng	25,524	-0.1%	United States		
Euro Stoxx 50	5,379	0.8%	3-month T Bill	4.23	0.00
UK FTSE100	9,136	0.6%	2 year bond	3.87	-0.06
VIX Index	15.98	6.3%	10 year bond	4.32	-0.09
Commodities	Current	Change	Other (10 year yields)		
CRB Index	305.95	0.8%	Germany	2.71	0.02
Gold	3326.62	0.4%	Japan	1.58	0.01
Copper	9766	0.2%	UK	4.63	-0.01
Oil (WTI futures)	69.21	3.7%	Sydney Futures Exchange	Current	Change
Coal (coking)	189.50	2.7%	10 yr bond	4.32	-0.04
Coal (thermal)	123.45	0.3%	3 yr bond	3.44	-0.02
Iron Ore	103.55	1.9%	3 mth bill rate	3.57	0.00
ACCU	34.13	-4.1%	SPI 200	8,662	-0.1%

Data as at 7:00am 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:

- Major US equity indices edged lower from their record highs as investors wait for the Fed's decision tonight and several other major economic reports, including GDP and payrolls. The S&P 500 lost 0.3%, while the technology-heavy Nasdaq fell 0.2%. The Dow Jones Industrial Average fell 0.5% and the small-cap gauge Russell 2000 declined 0.6%.
- Equity markets in Europe finished higher, with key indices retracting the falls recorded in the previous session. The FTSE 100 closed 0.6% higher, the DAX closed 1.0% in the green and the Euro Stoxx 50 was 0.8% higher. The ASX 200 eked out a gain of 0.08% ahead of the all-important Q2 inflation report due later today. Futures are pointing to a soft open this morning.
- The US yield curve shifted lower ahead of tonight's US Fed announcement and because of the seven-year bond auction, which recorded the highest bid-cover ratio since the early 2010s. The 2-year US bond yield declined six basis points to 3.87% while the 10-year US bond yield declined nine basis points to 4.32%. Communication from the Fed is expected to shed light on how aggressively the central bank will lower rates going forward. There's almost zero chance priced-in for a Fed rate cut this month, with the next cut fully priced in for October, around 45 basis points of cuts priced in for 2025, and another 60 basis points of cuts priced in over 2026.
- At home, a slight rally in Treasuries saw yields edge lower yesterday, which continued overnight. The 3-and-10-year futures declined two and four basis points to 3.44% and 4.32%, respectively. The market has almost fully priced in a rate cut for August, and there are around 60 basis points of cuts priced in over 2025.
- The US dollar continued to edge higher, reaching an intraday high of 99.141, before settling at just under 99.00. There was limited movement as traders wait for the US Fed announcement and the other important economic data to be released over the next few days. The euro declined 0.4% to a one month low of 1.1547 with the USD/JPY pair largely unchanged.
- The Aussie extended its three-day slide to fall to an intraday low of 0.6496. It has since stabilised at around 0.6500. The Q2 inflation report provides a key risk event for the Aussie with a 0.7%qtr lift in the trimmed mean likely paving the way for an August rate cut. We see upside for the AUD/USD pair, as trade uncertainty diminishes, the US economy slows and possible future stimulus coming out of China supports activity.
- Crude markets were higher on news President Trump said he will give Russia 10 days to reach a truce with Ukraine. The WTI jumped 3.7% to US\$69.21/bbl. Gold, Copper and Coal

Today's key data and events

For	Data/Event	Exp	Prev
11:30am	AU Monthly CPI Indicator Jun	2.3%	2.1%
11:30am	AU Headline CPI Q2	0.9%	0.9%
11:30am	AU Headline CPI Q2	2.3%	2.4%
11:30am	AU Trimmed Mean CPI Q2	0.7%	0.7%
11:30am	AU Trimmed Mean CPI Q2	2.7%	2.9%
7:00pm	EZ Consumer Confidence Jul Final	-	-14.7pts
7:00pm	EZ Economic Confidence Jul	94.5pts	94pts
7:00pm	EZ GDP Q2 Annualised	0.0%	0.6%
10:15pm	US ADP Employment Change Jul	75k	-33k
10:30pm	US GDP Q2 Annualized	2.5%	-0.5%
11:45pm	CA BoC Policy Decision	2.75%	2.75%
12:00am	US Pending Home Sales Jun	0.2%	1.8%

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.

were also higher. Iron ore was 1.9% higher at US\$103.55/t amid market rumours of short-term production curbs ahead of a possible military parade in Beijing in September.

International Data:

Trade negotiations between the US and China wrapped up overnight in Stockholm without an immediate extension to the trade truce that is due to expire in around 2 weeks. Negotiations will reportedly continue, with President Trump to make a final decision before the end of the truce period.

US job openings edged down from 7.7mn to 7.4mn in June, lowering the job opening rate from 4.6% to 4.4%, near the lowest level since 2020. The quit rate was unchanged in the month at 2.0%, and the layoff rate at 1.0%. These results are consistent with a balanced labour market.

US Conference Board consumer confidence rose from 95.2 (previously 93.0) to 97.2 in July. The improvement was as a result of greater perceived promise over the outlook, the expectations index rising from 69.9 to 74.4. The present situation index meanwhile edged down from an upwardly revised 133.0 to 131.5. At July, the headline confidence index is around 7% below the average of the past 5 years.

Local Data:

There was no top tier domestic economic data released.



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