

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6535	0.3%	WTI Crude Oil	61.97	\$0.25
	90-day Bill	3.50	AUD/JPY	100.01	0.7%	Brent Crude Oil	66.44	\$0.53
	3-year Bond	3.40	AUD/EUR	0.5618	0.2%	Mogas95*	80.55	\$0.93
	10-year Bond	4.17	AUD/GBP	0.4905	0.4%	CRB Index	302.98	-2.04
US			AUD/NZD	1.1342	0.2%	Gold	4071.32	-\$55.54
			AUD/CNY	4.6368	-0.1%	Silver	48.13	-\$0.73
	2-year	3.50	EUR/USD	1.1633	0.1%	Iron Ore (62% Fe)**	104.45	-\$0.15
	10-year	4.02	USD/JPY	153.03	0.3%	Iron Ore (25-26 Average)	102.78	\$0.02
Other 10-year			USD/CNY	7.1225	0.0%	Copper	10962.50	\$108.00
			RBA Policy			Equities		
			O/N Cash Rate Target	3.60		ASX200	9071	36
			Interbank O/N Cash Rate	3.60		Dow Jones	47207	473
Japan	1.67	1	Probability of a 25bps Cut in Nov	60.0%		S&P500	6792	53
Germany	2.63	4	RBA Bond Holdings (30 Sep)	A\$272.1b		Stoxx600	576	1
UK	4.43	1				CSI300	4661	54

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

**Iron ore is the second SGX futures contract.

Wall Street saw fresh record highs on Friday, as the downside surprise in the US CPI figures strengthened the case for another fed funds rate cut later this week.

The improvement in global market sentiment was followed by a quite eventful weekend. US Treasury Secretary Scott Bessent confirmed that Chinese authorities are ready to delay export restrictions on critical minerals by one year and that the 100% additional tariff on China is largely off the table. US President Donald Trump hiked tariffs on Canada by another 10 percentage points, taking the total tariff rate to 45%.

News of progress in US-China trade talks saw the Australian dollar appreciate somewhat this morning, while Commonwealth bond yields also rose slightly. The ASX 200 opened sharply higher today, after losing another 0.2% on Friday.

US CPI rose by 0.3% in September, while the annual rate of inflation ticked up by 0.1 percentage points to an eight-month high of 3.0%. In both cases, the inflation rates were a notch lower than market expectations of 0.4% and 3.1%, respectively. Core inflation rates, at 0.2% MoM and 3.0% YoY, were also slightly lower than pencilled in by the market consensus. Inflation rates for goods (more impacted by tariffs) and services (depending on domestic factors) held broadly steady in September.

S&P Global PMIs were less supportive of a fed funds rate cut, suggesting the fastest expansion of the private sector in three months, with solid growth in both manufacturing and services. The details of the report pointed to a further rise in employment and stronger cost pressure, but also the slowest growth in selling prices since April. The S&P Global PMI report has been more optimistic than the more established ISM PMI report, which is scheduled for a release in a week. Elsewhere, S&P Global PMIs pointed to faster expansion in the euro area and UK, but slowdown in Japan. RBA Governor Michele Bullock spoke on Friday, focusing on issues not related to the current monetary policy.

The key domestic release this week will be Q3 CPI inflation on Wednesday. Other events include another public appearance by RBA Governor Michele Bullock tonight, Q3 international price indices on Thursday, and Q3 PPI inflation on Friday.

It will be a big week in central banking, with the Fed, ECB, Bank of Japan, and Bank of Canada all announcing monetary policy decisions, with cuts in the US and Canada expected. The US government shutdown will likely continue to disrupt US data releases this week, but there will be important data releases from the euro area – on Q3 GDP and September inflation.

Economic Data Review

- **JP:** S&P Global Composite PMI (Oct, flash) – Actual 50.9, Previous 51.3.
- **EZ:** HCOB Composite PMI (Oct, flash) – Actual 52.2, Expected 51.1, Previous 51.2.
- **UK:** S&P Global Composite PMI (Oct, flash) – Actual 51.1, Expected 50.5, Previous 50.1.
- **US:** CPI (MoM, Sep) – Actual 0.3%, Expected 0.4%, Previous 0.4%.
- **US:** S&P Global Composite PMI (Oct, flash) – Actual 54.8, Expected 53.1, Previous 53.9.

Economic Data Preview

- **AU:** Public Appearance by RBA Governor Michele Bullock.