

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.6944	-0.6%	WTI Crude Oil	90.39	\$1.14
	90-day Bill	4.76	AUD/JPY	109.54	-0.3%	Brent Crude Oil	98.18	\$2.02
	3-year Bond	4.99	AUD/EUR	0.6127	-0.6%	Mogas95*	130.65	-\$5.33
	10-year Bond	5.41	AUD/GBP	0.5235	-0.9%	CRB Index	410.25	0.80
US			AUD/NZD	1.2325	-0.5%	Gold	4141.42	-\$39.58
			AUD/CNY	4.6595	-0.5%	Silver	60.07	-\$1.27
	2-year	4.89	EUR/USD	1.1333	0.0%	Iron Ore (61% Fe)**	93.45	-\$0.65
	10-year	5.30	USD/JPY	157.76	0.3%	Iron Ore (26-27 Average)	97.10	-\$0.08
Other 10-year			USD/CNY	6.7060	0.0%	Copper	14410.00	-\$28.50
			RBA Policy			Equities		
			O/N Cash Rate Target	4.60		ASX200	8695	-16
			Interbank O/N Cash Rate	4.60		Dow Jones	50906	-444
Japan	3.09	-2	Probability of a 25bps Hike in Nov	26.7%		S&P500	7652	-19
Germany	3.59	-4	RBA Bond Holdings (31 Aug)	A\$227.4b		Stoxx600	635	-3
UK	5.42	1				CSI300	4358	12

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

**Iron ore is the second SGX futures contract.

US equities had another weak session despite better-than-expected economic data, including a downside inflation surprise. The encouraging inflation results kept shorter-dated US Treasury yields contained as expectations of a Fed rate hike later this month eased. Long-dated yields continued to rise, however, with the 10-year yield reaching a fresh 19-year high. The US dollar index edged higher, while crude oil prices rose despite reports of improving oil flows from the Middle East.

At home, the ASX 200 gained 0.9%, overcoming a subdued start ahead of the August Australian CPI release to post a third consecutive daily rise after inflation undershot expectations. Gains were broad-based, led by financials and miners. Australian bond yields fell yesterday in the wake of the CPI but opened higher this morning. Market pricing for an RBA cash rate hike in November eased further, helping push the AUD/USD to a new two-month low.

US data released overnight were positive: inflation was below expectations, employment and consumer spending were stronger than anticipated, and the third estimate of Q2 GDP saw growth revised higher.

The **Australian CPI** rose by an unadjusted 0.4% in August (mkt. exp. 0.5%), lifting annual consumer price inflation by 0.5ppts to 4.0%. Trimmed mean inflation rose by 0.2% in August, leaving the annual rate unchanged at 3.6%. Overall, the August inflation figures are unlikely to alter the RBA's assessment of the forces driving inflation, but they were sufficient for traders to pare expectations of a further rate hike in November.

Australian **dwelling approvals** fell by a seasonally adjusted 6.1% in August (mkt. exp. -1.0%), following a 1.9% decline in July. The fall was driven by multi-unit dwellings, while private-sector house approvals continued to rise.

China's official composite PMI rose by 1.2pts to 50.7, signalling expansion for the first time in three months (above 50 = expansion). The improvement was broad-based, with manufacturing, services and construction all returning to expansion; construction activity expanded for the first time in 2026. The RatingDog PMIs, which focus on small and medium-sized private businesses, painted a similar picture, with activity expanding at a faster pace during the month.

Economic Data Review

- **AU:** CPI (MoM, Aug) – Actual 0.4%, Expected 0.5%, Previous 1.0%.
- **AU:** Dwelling Approvals (MoM, Aug) – Actual -6.1%, Expected -1.0%, Previous -1.9% (revised).
- **AU:** Private Sector Credit (MoM, Aug) – Actual 0.6%, Expected 0.5%, Previous 0.6%.
- **AU:** Cotality Home Value Index (MoM, Sep) – Previous
- **CH:** NBS Composite PMI (Sep) – Actual 50.7, Previous 49.5.
- **CH:** RatingDog Composite PMI (Sep) – Actual 52.4, Previous 52.1.
- **US:** ADP Employment (Monthly change, Sep) – Actual 90k, Expected 74k, Previous 36k (revised).
- **US:** PCE Price Index (MoM, Aug) – Actual 0.3%, Expected 0.3%, Previous 0.1%.

Economic Data Preview

- **AU:** Trade Balance (Aug) – Expected A\$2.0b, Previous A\$1.9b.
- **AU:** Job Vacancies (QoQ, Aug) – Previous -2.1%.
- **US:** ISM Manufacturing PMI (Sep) – Expected 54.9, Previous 54.6.