Market Daily Update

05 NOVEMBER 2026

Interest Rates (%)		
Australia		**Δ bp**
90-day Bill	4.94	1
3-year Bond	4.70	-4
10-year Bond	5.02	-6
US		
2-year	4.57	-4
10-year	4.87	-8
Other 10-year		
Japan	2.79	1
Germany	3.27	-6
UK	5.13	-13

FX		
AUD/USD	0.7011	0.6%
AUD/JPY	110.95	0.4%
AUD/EUR	0.6237	0.3%
AUD/GBP	0.5200	0.2%
AUD/NZD	1.2458	-0.1%
AUD/CNY	4.6771	0.6%
EUR/USD	1.1243	0.3%
USD/JPY	158.24	-0.2%
USD/CNY	6.6750	0.1%

RBA Policy	
O/N Cash Rate Target	4.85
Interbank O/N Cash Rate	5.10
Probability of a 25bps Hike in Dec	5.4%
RBA Bond Holdings (30 Oct)	A$213.6b

Commodities US$		
WTI Crude Oil	88.04	-$8.56
Brent Crude Oil	94.62	-$8.98
Mogas95*	104.58	-$9.81
CRB Index	389.01	-9.29
Gold	4078.17	$140.37
Silver	52.44	$2.57
Iron Ore (61% Fe)**	92.00	$0.80
Iron Ore (26-27 Average)	95.42	-$0.03
Copper	14011.00	-$25.00

Equities		
ASX200	8964	125
Dow Jones	53356	1569
S&P500	7689	120
Stoxx600	657	12
CSI300	4101	92

*Mogas95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.
**Iron ore is the second SGX futures contract.

Global stocks surged yesterday as investors assessed the outcome of the US mid-term elections as mostly positive. Most importantly, traders hope that, with the Democrats about to control both the US House of Representatives and the Senate, US trade policy will turn less restrictive and the appetite for international conflicts will be lower.

The US S&P 500 rose by 1.6% yesterday, with gains in all sectors except energy and industrials. This followed gains in Europe and most of the Asia-Pacific region.

Hopes that the new political landscape in the US means a lower likelihood of renewed conflict in the Middle East pushed oil prices sharply lower overnight, with Brent futures falling below US$100 a barrel to their lowest level in two months. The drop in oil prices eased concerns over inflation, leading to a decline in government bond yields in the US and Europe.

The improvement in global market sentiment supported the Australian dollar, which appreciated against all the major currencies, with the AUD/USD back above US$0.70. Commonwealth bond yields declined in line with their US equivalents. The ASX 200 opened sharply lower this morning after declining by 0.6% yesterday.

Data-wise, the US ISM services PMI declined by 0.4pts to 54.5 in October (above 50 = expansion), pointing to somewhat slower, albeit solid, growth in the largest sector of the US economy. The report details pointed to a slowdown in new orders growth, but also to a stronger increase in employment. Cost pressures eased somewhat, but were still acute, with survey respondents pointing to higher fuel costs as well as material and labour shortages.

US ADP employment rose by 86k in October, the same as the downwardly revised gain in the previous month. Nearly half of the increase came from the 'trade, transport and utilities' category, but there was also a significant contribution from education and health.

Across the Pacific, the Chinese RatingDog services PMI declined by 0.8pts to a three-month low of 50.8 in October, with a rise in employment, a continued rise in costs and a decline in selling prices.

In Australia, nominal household spending rose by 0.6% in September, three times the increase pencilled in by the market consensus. The rise was partly supported by higher fuel prices. However, household spending volumes also increased by a solid 0.7% in Q3, the same as in the previous quarter and only marginally less than the 0.8% recorded in Q1. This could suggest that consumer demand growth is not slowing as the RBA had hoped it would in order to reduce inflation.

Economic Data Review

- **AU:** Household Spending (MoM, Sep) – Actual 0.6%, Expected 0.2%, Previous -0.1% (revised).
- **CH:** RatingDog Services PMI (Oct) – Actual 50.8, Expected 51.7, Previous 51.6.
- **US:** ADP Employment (monthly change, Oct) – Actual 86k, Expected 66k, Previous 86k (revised).
- **US:** ISM Services PMI (Oct) – Actual 54.5, Expected 54.8, Previous 54.9.

Economic Data Preview

- **AU:** Goods Trade Balance (Sep) – Expected A$1.0b, Previous A$0.5b.
- **UK:** Bank of England (Bank Rate) – Expected 4.00%, Previous 4.00%.
- **US:** Initial Jobless Claims (w/e 31 Oct) – Expected 196k, Previous 194k.