

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6501	0.3%	WTI Crude Oil	57.49	\$0.10
90-day Bill	3.49	-1	AUD/JPY	98.07	0.8%	Brent Crude Oil	61.19	\$0.21
3-year Bond	3.35	3	AUD/EUR	0.5576	0.6%	Mogas95*	75.65	\$0.95
10-year Bond	4.14	3	AUD/GBP	0.4841	0.4%	CRB Index	293.35	-0.50
			AUD/NZD	1.1340	0.2%	Gold	4244.61	-\$118.14
			AUD/CNY	4.6308	0.2%	Silver	51.93	-\$2.17
US			EUR/USD	1.1660	-0.4%	Iron Ore (62% Fe)**	104.15	-\$0.60
2-year	3.46	5	USD/JPY	150.85	0.5%	Iron Ore (25-26 Average)	102.70	\$0.01
10-year	4.01	5	USD/CNY	7.1270	0.0%	Copper	10604.50	-\$42.50
			RBA Policy			Equities		
			O/N Cash Rate Target		3.60	ASX200	8989	-45
			Interbank O/N Cash Rate		3.60	Dow Jones	46191	238
Other 10-year			Probability of a 25bps Cut in Nov		76.2%	S&P500	6664	35
Japan	1.63	0	RBA Bond Holdings (30 Sep)		A\$272.1b	Stoxx600	566	-5
Germany	2.58	1				CSI300	4514	-104
UK	4.53	3						

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

**Iron ore is the second SGX futures contract.

Sentiment on Wall Street improved on Friday, supported by soothing comments from US President Donald Trump and top executives of US regional banks. US Treasury yields have partly reversed their drop from Thursday, while the US dollar appreciated.

The improvement in the global market sentiment supported the Australian dollar, which appreciated against all the major currencies, while Commonwealth bond yields followed their US equivalents higher. The ASX 200 opened slightly lower this morning, after losing 0.8% on Friday with declines in most sectors led by energy.

Several US regional banks sought to increase confidence in the sector on Friday. CEO of Truist Financial Corp, a US regional bank, said that their credit quality was strong and the institution is 'hyper vigilant' about credit risks. The CEO and chief credit officer of Fifth Third Bancorp also expressed confidence in its credit portfolio, following the release of its quarterly results showing that Q3 provisions for credit losses were lower than estimated. The US regional bank index rose by 1.7% on Friday, rebounding from a 6.3% drop on Thursday night amid concerns over exposure to the recently bankrupted subprime car lender Tricolor Holdings and a car parts maker First Brands Group.

US President Donald Trump expressed optimism about the upcoming talks between Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng. In addition to efforts to de-escalate recent US-China trade tensions, the talks aim to lay the groundwork for a still-likely meeting between both countries' leaders later this month.

The above news point to a lower risk of widespread issues in the US regional banking sector and give some hope for easing in US-China trade tensions, at least in the near future. As a result, the gold price dropped but remained comfortably above US\$4,000 an ounce. Oil prices ticked up, while iron ore futures retreated by 0.6% and copper futures ebbed by 0.4%.

From Fedspeak over the weekend, St Louis Fed President Alberto Musalem said that he could support another fed funds rate cut, especially if further risks to the labour market emerged, but stressed that FOMC is not on a 'preset course'.

A quiet [week](#) ahead domestically, with the S&P Global PMIs for October and RBA Governor's remarks on Friday being the only events of note. The key releases offshore will be Chinese Q3 GDP and September activity figures later today, followed by S&P Global PMIs and US September CPI on Friday (the latter has been rescheduled due to the US Government shutdown).

Economic Data Review

No market-moving data.

Economic Data Preview

- **CH:** GDP (YoY, Q3) – Expected 4.8%, Previous 5.2%.
- **CH:** Retail Sales (YoY, Sep) – Expected 2.9%, Previous 3.4%.
- **CH:** Industrial Production (YoY, Sep) – Expected 4.9%, Previous 5.2%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Sep) – Expected -0.1%, Previous 0.5%.
- **CH:** PBoC Announcement (Five-year Loan Prime Rate) – Expected 3.50%, Previous 3.50%.