Market Daily Update

12 DECEMBER 2025

Interest Rates			FX			Commodities US$		
Australia		Δ bp	AUD/USD	0.6666	-0.1%	WTI Crude Oil	57.93	-$0.87
90-day Bill	3.71	0	AUD/JPY	103.76	-0.1%	Brent Crude Oil	61.28	-$0.93
3-year Bond	4.10	-4	AUD/EUR	0.5677	-0.5%	Mogas95*	75.81	$0.29
10-year Bond	4.72	-1	AUD/GBP	0.4978	-0.2%	CRB Index	300.78	-0.60
			AUD/NZD	1.1469	0.0%	Gold	4278.15	$33.06
			AUD/CNY	4.7074	0.3%	Silver	63.28	$0.96
US			EUR/USD	1.1743	0.4%	Iron Ore (62% Fe)**	102.20	-$0.30
2-year	3.52	0	USD/JPY	155.64	0.0%	Iron Ore (25-26 Average)	103.15	-$0.02
10-year	4.15	1	USD/CNY	7.0571	-0.2%	Copper	11872.00	$315.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8682	42
Other 10-year			Interbank O/N Cash Rate		3.60	Dow Jones	48704	646
Japan	1.92	-2	Probability of a 25bps Hike in Feb		26.9%	S&P500	6901	14
Germany	2.84	-1	RBA Bond Holdings (28 Nov)		A$250.3b	Stoxx600	581	3
UK	4.48	-2				CSI300	4552	-40

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

US equities stumbled early on disappointing tech earnings, but recovered to push the S&P 500 and Dow Jones to record closing highs. The tech sector was a laggard, with the tech-heavy Nasdaq closing the day in the red. US Treasury yields climbed before falling back, while the US dollar continued to slide against other major currencies, with the dollar index slipping to an eight-week low.

The Aussie share market opened higher yesterday but lost ground through the day. Although it managed to hold onto some of its early gains to close in positive territory for the first time this week, it has opened higher again this morning.

Commonwealth bond yields were dragged down by the soft Aussie labour market report. News of an unexpected fall in employment in November saw traders shave a little off their pricing for RBA cash rate increases next year.

The Aussie dollar weakened slightly against the major currencies, including the US dollar. The biggest fall was against the euro which benefitted from the slide in the greenback.

In commodity markets, Brent crude oil futures fell to fresh seven-week lows. Copper hit fresh all-time highs, boosted by the Fed interest rate cut and concerns over a future supply shortage. Gold prices rose to the highest level since October, while silver hit yet another record high.

US economic data overnight saw an unexpected 44k jump in weekly initial jobless claims to 236k last week, the biggest increase since March 2020. However, claims can be volatile this time of year and remain low. The US trade deficit narrowed by US$6.4b to US$52.8b in September, its lowest level since 2020. The improvement came as a US$8.7b rise in exports more than offset a US$1.9b increase in imports. The increase in exports was boosted by a US$6.1b rise in non-monetary gold exports.

Aussie employment fell 21.3k in seasonally adjusted terms in November (mkt exp +20k), following a 41.1k rise in October. The result maintained the volatile but generally weaker employment growth in recent months that has seen the annual growth rate fall to just 1.3%, well below annual labour force growth of 1.7%. The fall was driven by a 56.5k fall in full-time employment which was partly offset by a 35.2k increase in people working part-time. A 0.2ppts fall in the participation rate to 66.7% saw the unemployment rate hold steady at 4.3%. The employment to population ratio fell 0.2ppts to 63.8%.

Victoria and South Australia were the only states to see an increase in employment in November. Queensland saw the biggest monthly decline followed by New South Wales. Western Australian employment slipped 3.6k, with the unemployment rate rising to 4.6%. The State's participation rate of 68.4% remains well above the national average, as does the employment to population ratio of 65.3%.

Economic Data Review

- **AU:** Employment (Monthly Change, Nov) – Actual -21.3k, Expected 20k, Previous 41.1k (revised)
- **AU:** Unemployment Rate (Nov) – Actual 4.3%, Expected 4.4%, Previous 4.3%.
- **US:** Intial Jobless Claims (w/e 6 Dec) – Actual 236k, Expected 220k, Previous 192k.

Economic Data Preview

- **UK:** GDP (MoM, Oct) – Expected 0.1%, Previous -0.1%.