

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6921	-0.8%	WTI Crude Oil	97.43	\$2.70
90-day Bill	4.76	-3	AUD/JPY	109.47	-0.6%	Brent Crude Oil	105.52	-\$0.01
3-year Bond	4.83	-4	AUD/EUR	0.6174	-0.9%	Mogas95*	127.19	-\$3.59
10-year Bond	5.22	-6	AUD/GBP	0.5216	-1.1%	CRB Index	417.49	1.46
			AUD/NZD	1.2311	-1.0%	Gold	4155.17	\$13.00
			AUD/CNY	4.6289	-0.8%	Silver	57.13	\$1.06
US			EUR/USD	1.1210	0.1%	Iron Ore (61% Fe)**	90.05	-\$0.25
2-year	4.77	2	USD/JPY	158.16	0.2%	Iron Ore (26-27 Average)	96.22	-\$0.08
10-year	5.08	-6	USD/CNY	6.6911	-0.1%	Copper	14347.00	-\$143.50
			RBA Policy			Equities		
			O/N Cash Rate Target		4.60	ASX200	8809	148
Other 10-year			Interbank O/N Cash Rate		4.60	Dow Jones	52178	556
Japan	2.92	-3	Probability of a 25bps Hike in Nov		17.8%	S&P500	7744	25
Germany	3.41	-5	RBA Bond Holdings (30 Sep)		A\$214.7b	Stoxx600	640	2
UK	5.37	-5				CSI300	4166	-52

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

**Iron ore is the second SGX futures contract.

US equities rose overnight, with the S&P 500 recording its first gain of the week despite further selling in semiconductor and technology hardware stocks. Sentiment towards chipmakers was weighed down by signs of credit stress at US data centre operator and cloud computing provider CoreWeave. US Treasury yields fell despite stronger-than-expected producer price inflation. The US oil benchmark, WTI, jumped 3% amid news of a large drawdown in US inventories.

In Europe, the Stoxx 600 closed at a more than three-week high. In the Asia-Pacific region, weakness in technology stocks saw South Korea's Kospi fall 7.6%, Japan's Nikkei decline 4.9% and Taiwan's TAIEX lose 3.4%. Mainland China's CSI 300 and Hong Kong's Hang Seng were relative outperformers, each falling 1%.

Australian equities opened lower yesterday before recovering almost all of the early losses. The rebound followed a soft Australian employment report that prompted traders to wind back expectations for an RBA cash rate increase in November. The ASX 200 has risen in early trade today, following overnight gains in the US.

The three-year Australian bond yield fell to its lowest level since late August, while the 10-year yield declined sharply to a more than one-month low as expectations for an RBA cash rate increase eased. Yields have edged higher this morning. The Australian dollar fell against all major currencies, with the AUD/USD dropping to a three-month low.

Australia's September labour force report was weaker than expected, with employment falling by 39.3k over the month (mkt exp. +20k), while the unemployment rate was steady at 4.7%, following an upward revision to the August rate from 4.6%. This is the highest level since October 2021. The participation rate fell 0.2ppts to 66.8%. Employment in Western Australia rose by a strong 21.7k, while the unemployment rate fell 0.2ppts to 4.2%, equal lowest among the states. The State also recorded the highest participation rate, at 69.1%, and the highest employment-to-population ratio, at 66.2%. The result reduces the likelihood of a further cash rate increase in November, but does not rule it out entirely.

The US final demand producer price index added to concerns that inflation is accelerating, rising 1.3% in September (mkt exp. 0.6%) to be 6.3% higher over the year. The monthly increase was led by a 10.8% rise in energy costs. Core PPI inflation (excluding food, energy and trade) was also elevated, however, at 0.5% for the month and 5.0% over the year. The trade component rose 1.4% over the month, suggesting wholesalers are earning higher margins as they pass increased costs on to customers.

US retail sales rose a strong 0.8% in September, following a 1.3% increase in August. However, much of the gain was driven by higher fuel prices, with sales excluding autos and fuel rising just 0.2% over the month.

Economic Data Review

- **AU:** Employment (Monthly Change, Sep) – Actual -39.3k, Expected 20.0k, Previous 29.3k (revised).
- **AU:** Unemployment Rate (Sep) – Actual 4.7%, Expected 4.6%, Previous 4.7% (revised).
- **US:** PPI (MoM, Sep) – Actual 1.3%, Expected 0.6%, Previous 0.5% (revised).
- **US:** Retail Sales (MoM, Sep) – Actual 0.8%, Expected 0.3%, Previous 1.3% (revised).

Economic Data Preview

- **US:** Industrial Production (MoM, Sep) – Expected 0.4%, Previous 0.0%.