

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6491	-0.4%	WTI Crude Oil	57.49	\$0.02
	90-day Bill	3.49	AUD/JPY	98.46	0.2%	Brent Crude Oil	61.55	\$0.54
	3-year Bond	3.34	AUD/EUR	0.5593	-0.1%	Mogas95*	75.46	\$0.29
	10-year Bond	4.11	AUD/GBP	0.4854	-0.2%	CRB Index	295.41	-1.08
US			AUD/NZD	1.1295	-0.4%	Gold	4079.35	-\$286.99
			AUD/CNY	4.6243	-0.3%	Silver	48.08	-\$4.46
	2-year	3.46	EUR/USD	1.1606	-0.3%	Iron Ore (62% Fe)**	104.00	\$0.70
	10-year	3.96	USD/JPY	151.68	0.6%	Iron Ore (25-26 Average)	102.72	\$0.02
Other 10-year			USD/CNY	7.1247	0.0%	Copper	10623.50	-\$68.00
			RBA Policy			Equities		
			O/N Cash Rate Target	3.60		ASX200	9024	-54
			Interbank O/N Cash Rate	3.60		Dow Jones	46925	218
Japan	1.66	-2	Probability of a 25bps Cut in Nov	69.2%		S&P500	6735	0
Germany	2.55	-2	RBA Bond Holdings (30 Sep)	A\$272.1b		Stoxx600	573	1
UK	4.48	-3				CSI300	4608	70

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

**Iron ore is the second SGX futures contract.

The S&P 500 and Nasdaq closed nearly flat overnight, with no major economic news or other events to provide guidance. Most market sectors closed in the red overnight, except for consumer discretionary, industrials, and health care. The Dow Jones rose to a fresh record high.

US Treasury yields continued to decline slightly at the back end of the curve, but remained steady for shorter maturities. The US dollar appreciated further, but remains relatively weak.

However, the major news overnight was a huge drop in the gold price, most likely due to profit taking after an almost uninterrupted rally since late August that made prices appear somewhat stretched.

At the time of writing, the price of the yellow metal is down 6.6% from this time yesterday morning, but remains safely above US\$4,000 an ounce. The daily fall was the strongest since August 2020.

The fall in the gold price occurred despite the ongoing US government shutdown, which is entering its 22nd day. Around 80% of participants in Polymarket, a popular cryptocurrency-based projection platform, are betting that the shutdown will continue for at least 30 more days.

In other commodity news, oil futures were little changed overnight, while iron ore futures climbed by 0.8%. More details emerged on the impacts of the US-Australia critical minerals framework agreement, with the media identifying several projects based in Western Australia that are likely to benefit.

The Australian dollar was mixed overnight, depreciating against the stronger US dollar and British pound, unchanged against the euro, but strengthening against the weaker Japanese yen. The Japanese currency depreciated sharply, as Sanae Takaichi was elected prime minister and vowed to introduce an economic package to address the rising costs of living.

The ASX 200 opened lower this morning, after reaching a new record high yesterday, with the minerals sector leading the gains. 10-year Commonwealth bond yields declined in line with their US equivalents, while 3-year yields were steady.

RBA Assistant Governor Brad Jones was speaking yesterday, but on issues not related to the monetary policy outlook. A 25bps cash rate cut remains around 70% priced in for the November Monetary Policy Board meeting.

Economic Data Review

No market-moving data.

Economic Data Preview

- **UK:** CPI (MoM, Sep) – Expected 0.1%, Previous 0.3%.