

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6601	-0.1%	WTI Crude Oil	60.60	-\$1.48
	90-day Bill	3.59	AUD/JPY	97.24	-0.1%	Brent Crude Oil	64.22	-\$1.45
	3-year Bond	3.54	AUD/EUR	0.5631	-0.1%	Mogas95*	75.08	-\$1.41
	10-year Bond	4.32	AUD/GBP	0.4909	0.1%	CRB Index	298.33	-2.18
US			AUD/NZD	1.1342	-0.2%	Gold	3858.46	-\$1.24
			AUD/CNY	4.6914	-0.4%	Silver	46.90	-\$0.28
	2-year	3.54	EUR/USD	1.1721	-0.1%	Iron Ore (62% Fe)**	103.55	-\$0.15
	10-year	4.09	USD/JPY	147.33	0.1%	Iron Ore (25-26 Average)	102.33	\$0.01
Other 10-year			USD/CNY***	7.1224	0.0%	Copper	10490.50	\$111.50
			RBA Policy			Equities		
			O/N Cash Rate Target	3.60		ASX200	8965	67
			Interbank O/N Cash Rate	3.60		Dow Jones	46520	79
Japan	1.67	2	Probability of a 25bps Cut in Nov	41.5%		S&P500	6715	4
Germany	2.70	-1	RBA Bond Holdings (30 Sep)	A\$272.1b		Stoxx600	568	3
UK	4.71	1				CSI300***	4641	0

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

**Iron ore is the second SGX futures contract.

***No change due to a public holiday.

The S&P 500 closed nearly flat at a new record high overnight, following a rather choppy session. US President Donald Trump plans to meet with White House Budget Director Russell Vought to discuss a plan to cut federal jobs due to the government shutdown. US Treasury yields and US dollar were little changed again.

The gain on Wall Street followed mixed results in Europe and increases in the Asia-Pacific region. The ASX 200 surged by 1.1% yesterday, with gains in all sectors, except utilities, consumer staples, and communication services, before opening flat this morning. The Australian dollar depreciated against all the major currencies except the British pound, while Commonwealth bond yields were broadly steady despite slight intensification of cash rate cut expectations.

In commodity markets, the gold price eased slightly, but remained very close to its record high from Wednesday. Oil prices fell overnight, with Brent futures reaching the lowest level since late May, as investors continue to position for the expected OPEC+ output hike. Iron ore futures declined by 0.4% yesterday, while copper futures continued to climb on supply concerns, reaching a new record high.

Data-wise, the weekly US initial jobs report was delayed due to the government shutdown. However, last night we got a Challenger jobs report that showed that job cuts were down 25.8% YoY in October, though they remained 946k year to date, the highest level since 2020. Out of this, the government has announced nearly 300k job cuts this year so far, including 289k jobs impacted by DOGE, which was followed by 108k cuts in technology and 86k cuts in retail.

From domestic data, the [household spending indicator](#) ticked up by just 0.1% in August, missing market expectations of a 0.3% gain. The growth was contained by a decline in goods spending, particularly on alcohol and tobacco, which almost entirely offset a solid gain in services.

Aussie [trade surplus](#) dropped to just A\$1.8b, which is the lowest level since 2018. The drop was caused by a 7.8% plunge in credits, with gold exports halving, as well as a 3.2% rise in imports, led by a rebound in consumer goods including higher imports of the volatile non-industrial transport equipment.

The RBA has released its biannual financial stability review, with the bottom line being that the Australian financial system remains resilient to multiple risks to global financial stability.

The central bank singled out three major groups of risks – sovereign debt markets given the high levels of public debt across the advanced economies, operational vulnerabilities from digitalisation and interconnectedness of the markets and spillovers from ongoing troubles in the Chinese property sector.

Underpinning the resilience of the Australian financial systems is not just the strength of the banking sector, insurance and superannuation funds, but also solid position of domestic households and businesses on aggregate.

Economic Data Review

- **AU:** Household Spending Indicator (MoM, Aug) – Actual 0.1%, Expected 0.3%, Previous 0.4% (revised).
- **AU:** Trade Balance (Aug) – Actual A\$1.8b, Expected A\$6.2b, Previous A\$6.6b (revised).
- **US:** Challenger Job Cuts (YoY, Sep) – Actual -25.8%, Previous 13.3%.

Economic Data Preview

- **US:** ISM Services PMI (Sep) – Expected 51.7, Previous 52.0.