Market Daily Update

07 NOVEMBER 2025

Interest Rates			FX			Commodities US$		
Australia		∆ bp	AUD/USD	0.6482	-0.3%	WTI Crude Oil	59.66	$0.03
90-day Bill	3.64	-1	AUD/JPY	99.23	-0.9%	Brent Crude Oil	63.38	-$0.14
3-year Bond	3.63	-2	AUD/EUR	0.5617	-0.7%	Mogas95*	78.79	$1.21
10-year Bond	4.34	-2	AUD/GBP	0.4935	-1.0%	CRB Index	300.87	-1.41
			AUD/NZD	1.1505	0.2%	Gold	3992.55	$18.09
			AUD/CNY	4.6140	-0.5%	Silver	48.24	$0.16
US			EUR/USD	1.1540	0.4%	Iron Ore (62% Fe)**	102.65	-$0.60
2-year	3.56	-6	USD/JPY	153.10	-0.5%	Iron Ore (25-26 Average)	103.02	$0.00
10-year	4.09	-5	USD/CNY	7.1193	-0.1%	Copper	10682.50	-$15.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8833	-2
Other 10-year			Interbank O/N Cash Rate		3.60	Dow Jones	46912	-399
Japan	1.68	0	Probability of a 25bps Cut in Dec		14.1%	S&P500	6720	-76
Germany	2.65	-2	RBA Bond Holdings (31 Oct)		A$272.1b	Stoxx600	568	-4
UK	4.43	-3				CSI300	4693	66

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

The risk-off sentiment returned to Wall Street last night, as a weak US Challenger layoffs report brought fresh concerns over US labour market conditions. US Treasury yields retraced all of Wednesday’s increases, while the US dollar depreciated, as the probability of a 25bps fed funds rate cut in December rose back to around 70%.

The losses on Wall Street followed declines in Europe and gains in most of the Asia-Pacific region. The ASX 200 rose by 0.3% yesterday, with mixed results across sectors. The strongest gains were registered in materials, while consumer discretionary recorded the largest losses. The Aussie share market opened flat this morning.

The Australian dollar depreciated against all the major currencies overnight, with the AUD/USD falling back below US$0.65. Commonwealth bond yields declined less than their US equivalents.

The Challenger, Gray and Christmas labour market report pointed to 153k announced job cuts in the US in October. This was the highest October total since 2003, taking the year-to-date figure to over 1 million, the largest number since 2020. The cuts were due to a correction of the post-COVID hiring boom, cost cuts, softer consumer and business spending demand and adoption of artificial intelligence. The Challenger, Gray and Christmas report is a second-tier release, which would not receive much attention if it were not for the US Government shutdown.

Speaking overnight, Chicago Fed President Austan Goolsbee said that – with limited dataflow amid the government shutdown (especially on inflation) – he is ‘uneasy’ about cutting interest rates further, calling for the FOMC to be ‘careful’ and ‘slowing down’. His St Louis counterpart Alberto Musalem warned that the fed funds rate is approaching a neutral level, which will make it harder to fend off inflationary pressures if there are building up. Their colleague, Cleveland Fed President Beth Hammack, echoed these comments, stressing that Fed’s monetary policy should be ‘leaning against’ inflation, which she described as being ‘high’ and a more pressing concern than the labour market.

In other central bank news, the Bank of England kept its bank rate unchanged at 4.00%, but after a narrow 5-4 vote, and issued a fairly dovish statement, assessing that inflation risks have eased in the UK. A 25bps cut is 70% priced in for the December meeting. The Norges Bank also kept its policy rate steady at 4.00%, and any cuts within the coming months are only partially priced in.

At home, seasonally adjusted goods trade surplus rose to A$3.9b in September, supported by a broad-based bounce in exports led by non-monetary gold and iron ore, partly offset by a decline in imports. Despite the rise in seasonally adjusted terms, goods trade surplus continued to decline in trend terms and is now the lowest since mid-2020.

Economic Data Review

- **AU:** Trade Balance (Sep) – Actual A$3.9b, Expected A$4.0b, Previous A$1.1b (revised).
- **US:** Challenger Job Cuts (YoY, Oct) – Actual 175.3%, Previous -25.8%.

Economic Data Preview

- **CH:** Trade Balance (Oct) – Expected US$96.7b, Previous US$90.5b.