Market Daily Update

14 AUGUST 2025

Interest Rates			FX			Commodities US$		
Australia		∆ bp	AUD/USD	0.6552	0.4%	WTI Crude Oil	62.79	-$0.33
90-day Bill	3.61	-2	AUD/JPY	96.21	-0.2%	Brent Crude Oil	65.81	-$0.33
3-year Bond	3.35	-5	AUD/EUR	0.5595	0.1%	Mogas95*	77.65	-$0.20
10-year Bond	4.20	-6	AUD/GBP	0.4824	-0.2%	CRB Index	294.82	-0.54
			AUD/NZD	1.0951	-0.1%	Gold	3372.28	$26.39
			AUD/CNY	4.6942	0.1%	Silver	38.58	$0.71
US			EUR/USD	1.1712	0.3%	Iron Ore (62% Fe)**	103.65	-$0.85
2-year	3.67	-7	USD/JPY	146.83	-0.6%	Iron Ore (25-26 Average)	100.49	$0.06
10-year	4.23	-7	USD/CNY	7.1766	-0.1%	Copper	9803.00	-$37.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8872	11
Other 10-year			Interbank O/N Cash Rate		3.59	Dow Jones	44922	464
Japan	1.52	0	Probability of a 25bps Cut in Sep		42.0%	S&P500	6467	21
Germany	2.68	-6	RBA Bond Holdings (31 Jul)		A$272.1b	Stoxx600	551	3
UK	4.59	-4				CSI300	4177	33

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

US stocks climbed further last night, with the S&P 500 and Nasdaq reaching new record highs, after US Treasury Secretary Scott Bessent urged the Fed to restart its monetary easing.

Secretary Bessent suggested that the FOMC cut the fed funds rate by 150-175bps, starting from a 50bps cut at the next meeting in September, and added that interviews with candidates for the next Fed Chair are already underway.

Market pricing for a fed funds rate cut in September has increased, with a 25bps cut now fully priced in and some investors betting on a 50bps reduction. US Treasury yields dropped across the yield curve, while the US dollar depreciated to reach a new August low.

The gains in the US followed increases in Europe and most of the Asia-Pacific. The Aussie ASX 200 was the exception, declining by 0.6% from the record high reached after the RBA rate cut on Tuesday, before opening in black this morning. The Australian dollar appreciated against the weaker greenback and euro, but was depreciated against the Japanese yen and British pound. Commonwealth bond yields followed their US equivalents lower this morning.

In commodity markets, oil prices fell a little further, dragged down by the news of an increase in US inventories. Investors are also awaiting the outcome of the meeting between US President Donald Trump and his Russian counterpart Vladimir Putin on Friday night. Brent futures have now reached the lowest level since early June. Iron ore futures declined yesterday, but remained above US$100 a tonne, while the gold price ticked up.

In Australia, the wage price index rose by 0.8% QoQ in Q2, as expected, while the annual rate of wages growth held steady at 3.4%. The rise was driven by public sector jobs (1.0% QoQ and 3.7% YoY), which reflected scheduled pay hikes and backdated pay rises, while private sector wages saw more moderate gains of 0.8% QoQ and 3.4% YoY.

The value of Aussie new home loans picked up by 2.0% QoQ in Q2, which was in line with market expectations and followed a 1.2% QoQ fall in the previous quarter (revised from -1.6% QoQ). Owner-occupier loans saw a 2.4% gain, while investor loans picked up by 1.4%.

Economic Data Review

- **AU:** Wage Price Index (QoQ, Q2) – Actual 0.8%, Expected 0.8%, Previous 0.9%.
- **AU:** New Home Loans (QoQ, Q2) – Actual 2.0%, Expected 2.0%, Previous -1.2%.

Economic Data Preview

- **AU:** Employment (monthly change, Jul) – Expected 25.0k, Previous 2.0k.
- **AU:** Unemployment Rate (Jul) – Expected 4.2%, Previous 4.3%.
- **UK:** GDP (QoQ, Q2) – Expected 0.1%, Previous 0.7%.
- **US:** PPI (MoM, Jul) – Expected 0.2%, Previous 0.0%.
- **US:** Initial Jobless Claims (w/e 9 Aug) – Expected 225k, Previous 226k.