Market Daily Update

29 OCTOBER 2026

Interest Rates (%)		
Australia		Δ bp
90-day Bill	4.91	5
3-year Bond	4.87	-3
10-year Bond	5.18	-1
US		
2-year	4.70	-3
10-year	5.01	2
Other 10-year		
Japan	2.81	0
Germany	3.37	1
UK	5.32	-3

FX		
AUD/USD	0.7055	0.3%
AUD/JPY	111.36	0.2%
AUD/EUR	0.6326	0.0%
AUD/GBP	0.5295	0.2%
AUD/NZD	1.2539	1.3%
AUD/CNY	4.6986	0.3%
EUR/USD	1.1155	0.2%
USD/JPY	157.83	-0.1%
USD/CNY	6.6660	0.0%

RBA Policy	
O/N Cash Rate Target	4.60
Interbank O/N Cash Rate	4.60
Probability of a 25bps Hike in Nov	82.2%
RBA Bond Holdings (30 Sep)	A$214.7b

Commodities US$		
WTI Crude Oil	101.86	$1.48
Brent Crude Oil	115.32	$0.91
Mogas95*	131.10	$0.21
CRB Index	413.68	1.83
Gold	4054.68	-$10.21
Silver	53.93	-$0.51
Iron Ore (61% Fe)**	90.80	$1.50
Iron Ore (26-27 Average)	95.65	-$0.04
Copper	14477.50	$3.00

Equities		
ASX200	8902	-22
Dow Jones	52475	98
S&P500	7744	21
Stoxx600	644	0
CSI300	4084	34

*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 for a third consecutive day, led by semiconductor shares. Sentiment was buoyed by record earnings from a major South Korean chipmaker and guidance that AI memory chips would remain in short supply through 2030. Short-dated US Treasury yields fell after the FOMC left interest rates unchanged and said that future decisions would be data dependent. The implied probability of a December rate hike remained at over 80%. Sabre rattling in the Middle East and larger-than-expected declines in US crude and distillate stocks pushed oil prices higher.

The FOMC voted 10-2 overnight to leave the fed funds rate target range unchanged at 3.75-4.0%, with both dissenters favouring a 25bps hike. The Fed characterised economic growth as strong and inflation as elevated, but said the Committee needed more information to determine the appropriate policy stance to return inflation to its 2% target in a timely manner.

European equities were mixed, with the Stoxx 600 edging up 0.1% as traders assessed a surge in the benchmark gas price to its highest level since 2022. Optimism about AI and semiconductor stocks drove strong gains in South Korea, Taiwan and Japan's Nikkei 225. Mainland Chinese and Hong Kong shares also closed higher.

At home, the ASX 200 surrendered its early gains after strong CPI data and RBA testimony before a Senate committee lifted expectations of a cash rate increase on 3 November. The index opened higher this morning. Australian bond yields rose following yesterday's CPI release but opened lower today. Markets briefly fully priced in a Melbourne Cup Day hike immediately after the release, before expectations eased. Higher cash rate expectations were also reflected in a sharp rise in BBSW rates.

Australia's monthly headline CPI rose 0.8% in September, lifting annual inflation by 0.3ppts to 4.3%. The quarterly trimmed mean, the RBA's preferred measure of underlying inflation, rose to 1.0% for the quarter and 3.7% YoY, strengthening the case for a further cash rate hike on 3 November.

RBA Governor Michele Bullock and other senior officials reinforced the Bank's focus on returning inflation to target during yesterday's appearance before a Senate committee.

Elsewhere, the Bank of Canada raised its overnight lending rate by 25 basis points to 2.50%, as expected, and signalled that further increases might be needed. The Reserve Bank of New Zealand left rates unchanged at 2.75%, against market expectations of a 25-basis-point hike. A narrow 4–3 majority of the Committee preferred to wait for more information before raising rates.

Economic Data Review

- **AU**: CPI (MoM, Sep) – Actual 0.8%, Expected 0.7%, Previous 0.4%.
- **AU**: Trimmed Mean CPI (QoQ, Q3) – Actual 1.0%, Expected 1.0%, Previous 0.8%.
- **US**: FOMC Meeting (Fed Funds Target Range) – Actual 3.75-4.0%, Expected 3.75-4.0%, Previous 3.75-4.0%.

Economic Data Preview

- **AU**: International Trade Prices (Q3).
- **EZ**: ECB Meeting (Deposit Rate) – Expected 2.50%, Previous 2.50%.
- **US**: GDP (QoQ annualised, Q1, Adv) – Expected 3.2%, Previous 2.2%.
  US: PCE Price Index (MoM, Sep) – Expected 0.5%, Previous 0.3%.