Market Daily Update

13 OCTOBER 2025

Interest Rates			FX			Commodities US$		
Australia		Δ bp	AUD/USD	0.6499	-0.9%	WTI Crude Oil	59.48	-$2.12
90-day Bill	3.58	-1	AUD/JPY	98.71	-1.7%	Brent Crude Oil	63.33	-$1.94
3-year Bond	3.48	-10	AUD/EUR	0.5599	-1.3%	Mogas95*	76.22	-$0.78
10-year Bond	4.28	-8	AUD/GBP	0.4870	-1.2%	CRB Index	292.76	-6.57
			AUD/NZD	1.1336	-0.6%	Gold	4045.75	$55.32
			AUD/CNY	4.6265	-0.8%	Silver	50.43	$0.85
US			EUR/USD	1.1608	0.4%	Iron Ore (62% Fe)**	106.15	$0.85
2-year	3.50	-9	USD/JPY	151.88	-0.8%	Iron Ore (25-26 Average)	102.55	$0.06
10-year	4.03	-10	USD/CNY	7.1353	0.1%	Copper	10518.00	-$349.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8904	-48
Other 10-year			Interbank O/N Cash Rate		3.60	Dow Jones	45480	-879
Japan	1.69	-1	Probability of a 25bps Cut in Nov		50.8%	S&P500	6553	-183
Germany	2.64	-6	RBA Bond Holdings (30 Sep)		A$272.1b	Stoxx600	564	-7
UK	4.68	-7				CSI300	4617	-93

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

US shares plunged on Friday, while government bond yields fell sharply and the US dollar depreciated, as traders were spooked by renewed escalation of US-China trade tensions. The S&P 500 tumbled by 2.7%, while the tech-heavy Nasdaq plunged by 3.5%. However, US futures are already trading slightly higher this morning.

The fresh tariff news saw the gold price bounce back above US$4,000 an ounce, to reach a fresh record high this morning. Oil prices plunged, as did prices for copper, while iron ore futures ticked up.

The Australian dollar unsurprisingly dropped across the board, with the strongest depreciation against the Japanese yen. However, the yen has given up some of its gains this morning amid news that the junior member of the governing coalition said it will not support the pro-stimulus Sanae Takaichi as new Prime Minister. Commonwealth bond yields dropped at the open this morning. The ASX 200 opened lower this morning, after declining by 0.1% on Friday.

US President Donald Trump announced that, from 1 November 'or sooner', the US will impose 100% tariffs on China 'over and above any tariff they are currently paying', while also imposing export controls on 'any and all critical software'. The move follows the Chinese government's decision to restrict the access to rare earth minerals and equipment used in rare earth mineral processing, requiring foreign companies to seek special shipping approvals.

Chinese exports to the US are subject to a reduced 10% 'reciprocal' tariff rate, but due to previous sectoral, and the 'fentanyl tariffs', Chinese imports are effectively taxed at a higher rate. The 'reciprocal' rates themselves are to rise back to 34% on 10 November under the status quo. US President Donald Trump was to meet his Chinese counterpart at the turn of October and November, but – judging from the social media posts – this meeting now looks less likely.

Turning to the US government shutdown news, President Trump said on social media he would direct Secretary Pete Hegseth to use all available funds to ensure the military is paid on Wednesday. This could mean that the shutdown could end somewhat later than some experts had predicted.

Data-wise, University of Michigan consumer sentiment declined in October, as inflation expectations were little changed at quite elevated levels. The Australian business turnover indicator, which is an experimental measure derived from business activity statements, declined by 2.2% in August, but this followed an upwardly revised 3.1% gain in July. Trend business turnover indicator, which looks through the monthly volatility, rose by another 0.3% in August, the same as in July.

Economic highlights this week in Australia will be the NAB business survey report for September and the RBA Monetary Policy Board meeting minutes tomorrow, followed by the September labour force report on Thursday. Overseas, the Chinese trade balance for September is due later today, and the Chinese inflation reports for September will be released on Wednesday. Major US economic data for September are CPI on Wednesday, retail sales and the PPI on Thursday and industrial production on Friday, but the US government shutdown means these releases are in doubt.

Economic Data Review

- **AU:** Business Turnover Indicator (MoM, Aug) – Actual -2.2%, Previous 3.1% (revised).
- **US:** University of Michigan Consumer Confidence (Oct) – Actual 55.0, Expected 54.0, Previous 55.1.

Economic Data Preview

- **CH:** Trade Balance (Sep) – Expected US$99.0b, Previous US$102.3b.