

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6587	-0.2%	WTI Crude Oil	62.95	\$0.55
90-day Bill	3.59	1	AUD/JPY	97.12	0.0%	Brent Crude Oil	66.70	\$0.55
3-year Bond	3.46	3	AUD/EUR	0.5630	0.4%	Mogas95*	79.78	\$1.49
10-year Bond	4.30	5	AUD/GBP	0.4871	0.1%	CRB Index	300.14	0.74
			AUD/NZD	1.1112	0.2%	Gold	3627.33	-\$11.11
			AUD/CNY	4.6900	-0.2%	Silver	40.83	-\$0.51
US			EUR/USD	1.1700	-0.6%	Iron Ore (62% Fe)**	106.65	\$1.25
2-year	3.55	7	USD/JPY	147.44	0.2%	Iron Ore (25-26 Average)	101.42	\$0.14
10-year	4.09	5	USD/CNY	7.1238	-0.1%	Copper	9914.00	-\$1.00
			RBA Policy			Equities		
			O/N Cash Rate Target		3.60	ASX200	8805	-10
			Interbank O/N Cash Rate		3.60	Dow Jones	45711	196
Other 10-year			Probability of a 25bps Cut in Sep		10.0%	S&P500	6513	17
Japan	1.58	3	RBA Bond Holdings (29 Aug)		A\$272.1b	Stoxx600	552	0
Germany	2.66	2				CSI300	4436	-31
UK	4.62	2						

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

**Iron ore is the second SGX futures contract.

A massive downward revision to US non-farm payrolls and no shortage of geopolitical events were insufficient to prevent another gain on Wall Street overnight. Government bond yields rose globally, which appears to be partly related to concerns over the fiscal position of France, where newly nominated Prime Minister Sebastien Lecornu is facing the challenging task of passing a budget through a deeply divided parliament. The gold price reached yet another record high, oil prices also ticked up, after Israel launched an attack on Hamas leadership in Qatar.

Despite the global market sentiment holding firm and commodity prices increasing overnight, the AUD is down versus the stronger USD, but has managed to appreciate against the weaker EUR and GBP. Commonwealth bond yields followed their global equivalents higher. The ASX 200 declined by 0.5% yesterday but opened flat this morning.

The US Bureau of Labor Statistics published a preliminary estimate of their annual benchmark revision, downgrading the level of non-farm payrolls by 911k (or 0.6%). This was not only more than the 682k expected by the markets, but also significantly more than the 10-year absolute average of 0.2%. The largest downward revisions were in sectors employing migrant workers, such as leisure and hospitality, retail trade and wholesale trade. This is another set of disappointing news on the US labour market. The final benchmark revision will be issued in early February.

In other US data, US NFIB small business optimism improved a little further to remain above the series average, with the survey respondents reporting poor labour quality as the single largest challenge to their operations for the second month in a row.

At home, the Westpac-Melbourne Institute of consumer sentiment index fell by 3.1% to 95.4 in September, dropping a little further into pessimistic territory (below 100) after climbing to a 3.5-year high of 98.5 in August. The index has been choppy but remains in an uptrend despite the setback. Of the subindices, sentiment toward family finances improved, although the view on the economy was more pessimistic. Among the ancillary indices, consumers were a little less confident about the outlook for interest rates and expect house prices to continue to rise. Consumer views on the labour market deteriorated a little but remain around the long-term average.

The NAB business survey for August saw an improvement in business conditions driven by improvements in the profitability and employment subindices. The business confidence eased to be slightly below the long run average but is still one of its highest levels for 2025. The inflation indicators eased a little, with input cost inflation falling to the lowest level since 2021. Labour cost and selling price growth also remain at around the lowest levels since 2021.

Economic Data Review

- **AU:** Westpac-Melbourne Institute Consumer Sentiment (MoM, Sep) – Actual -3.1%, Previous 5.7%.
- **AU:** NAB Business Conditions Index (Aug) – Actual 7, Previous 5.
- **AU:** NAB Business Confidence Index (Aug) – Actual 4, Previous 8 (revised).
- **US:** NFIB Small Business Optimism Index (Aug) – Actual 100.8, Expected 100.5, Previous 100.3.

Economic Data Preview

- **CH:** CPI (YoY, Aug) – Expected -0.2%, Previous 0.0%.
- **CH:** PPI (YoY, Aug) – Expected -2.9%, Previous -3.6%.
- **US:** PPI (MoM, Aug) – Expected 0.3%, Previous 0.9%.