

Interest Rates			FX			Commodities US\$			
Australia		Δ bp	AUD/USD	0.6515	0.4%	WTI Crude Oil	61.72	\$1.55	
	90-day Bill	3.51	1	AUD/JPY	99.36	0.6%	Brent Crude Oil	65.91	\$1.56
	3-year Bond	3.38	4	AUD/EUR	0.5606	0.2%	Mogas95*	79.62	\$1.07
	10-year Bond	4.15	5	AUD/GBP	0.4887	0.5%	CRB Index	305.02	7.09
			AUD/NZD	1.1316	0.1%	Gold	4126.86	\$48.81	
US			AUD/CNY	4.6422	0.5%	Silver	48.86	\$0.71	
			EUR/USD	1.1621	0.2%	Iron Ore (62% Fe)**	104.60	\$0.60	
	2-year	3.48	4	USD/JPY	152.52	0.2%	Iron Ore (25-26 Average)	102.76	\$0.02
	10-year	4.00	6	USD/CNY	7.1233	0.0%	Copper	10854.50	\$191.50
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.60	ASX200	9035	37	
			Interbank O/N Cash Rate		3.60	Dow Jones	46735	144	
	Japan	1.66	1	Probability of a 25bps Cut in Nov		62.3%	S&P500	6738	39
	Germany	2.58	2	RBA Bond Holdings (30 Sep)		A\$272.1b	Stoxx600	574	2
	UK	4.42	1				CSI300	4606	14

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

**Iron ore is the second SGX futures contract.

US equities regained Wednesday's losses, led by energy sector shares as the US market caught up with the Trump Administration's announcement yesterday that it would impose a fresh set of sanctions on major Russian oil companies, Rosneft and Lukoil. The gains weren't restricted to energy, with most other sectors receiving a lift from news that US President Trump will meet Chinese President Xi Jinping at the APEC summit next week.

The rise in the US followed a positive session in Europe and mixed results in the Asia-Pacific, where Chinese markets closed higher while Japanese shares lost ground. The Australian market regained yesterday's early losses to close almost unchanged and is currently flat in early trade this morning.

US Treasury yields picked up as news that the Chinese and US presidents are scheduled to next week helped soothe some of the anxiety over a possible escalation in the trade war between the two countries. Australian bond yields have opened higher this morning following the US moves overnight.

The Australian dollar has appreciated against all the major currencies, boosted by news of the US-China meeting and gains in commodity prices. Oil prices continued their recent gains amid the tariff news with Brent crude adding almost 8% over the past two days. Gold prices regained some of the recent heavy losses and remain comfortably above US\$4,000 an ounce.

In China, the conclusion of the much anticipated Chinese Communist Party Central Committee meeting delivered its guiding principles for the 15th Five-Year Plan to be unveiled in March next year. Major economic goals include modernising industry, achieving greater self reliance in science and technology, building a robust domestic market, and deepening reform. The communiqué also highlighted the need to promote the interplay between an efficient market and government, accelerate the green transition, and strengthen national security.

The S&P Global Australian composite PMI edged up 0.1pt to 52.6 in October suggesting a slightly faster pace of business activity growth (above 50 = expansion). A 1.7pt fall in the manufacturing index to a 10-month low of 49.7 was more than offset by a 0.7pt increase in the services indicator to 53.1. Average selling prices were reported to have risen at the slowest pace in five years, while input cost inflation also slowed. Employment rose as a rise in services jobs more than offset a fall in manufacturing.

All eyes tonight will be on the US CPI report for September, despite the Federal Government shutdown. The US Bureau of Labor Statistics advise that they are releasing the report to allow the Social Security Administration to ensure accurate and timely benefit payments. It will also be a timely piece of information for next week's FOMC policy decision.

Economic Data Review

- **AU:** S&P Global Composite PMI (Oct, flash) – Actual 52.6, Previous 52.4.

Economic Data Preview

- **JP:** S&P Global Composite PMI (Oct, flash) – Previous 51.3.
- **EZ:** HCOB Composite PMI (Oct, flash) – Expected 51.1, Previous 51.2.
- **US:** CPI (MoM, Sep) – Expected 0.4%, Previous 0.4%.
- **US:** S&P Global Composite PMI (Oct, flash) – Expected 53.1, Previous 53.9.