

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.6975	-0.2%	WTI Crude Oil	94.73	-\$0.12
90-day Bill	4.79	2	AUD/JPY	110.10	-0.5%	Brent Crude Oil	105.53	-\$0.94
3-year Bond	4.87	-3	AUD/EUR	0.6230	-0.1%	Mogas95*	130.78	-\$0.27
10-year Bond	5.28	-4	AUD/GBP	0.5272	0.1%	CRB Index	416.03	-2.11
			AUD/NZD	1.2435	0.0%	Gold	4142.17	-\$17.90
			AUD/CNY	4.6664	-0.2%	Silver	56.07	-\$3.04
US			EUR/USD	1.1194	-0.1%	Iron Ore (61% Fe)**	90.30	-\$0.50
2-year	4.75	-4	USD/JPY	157.85	-0.3%	Iron Ore (26-27 Average)	96.30	-\$0.09
10-year	5.14	-8	USD/CNY	6.6983	0.1%	Copper	14490.50	-\$87.50
			RBA Policy			Equities		
			O/N Cash Rate Target		4.60	ASX200	8661	-53
			Interbank O/N Cash Rate		4.60	Dow Jones	51621	-49
Other 10-year			Probability of a 25bps Hike in Nov		28.9%	S&P500	7719	-87
Japan	2.95	-7	RBA Bond Holdings (30 Sep)		A\$214.7b	Stoxx600	638	3
Germany	3.47	0				CSI300	4218	-58
UK	5.42	-2						

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

**Iron ore is the second SGX futures contract.

US equities spent another day in the red, with higher than expected inflation in September pushing the S&P 500 down 1%, its worst day since July. Information technology was the biggest drag on the market as the sell-off in semiconductor shares extended into a sixth day. The tech-heavy Nasdaq Composite fell almost 2%, while the Dow Jones, which is less exposed to technology shares, slipped just 0.1% after a late rally.

US Treasury yields surged following the CPI report, with the two-year yield reaching 4.95% and the 10-year yield 5.33% as expectations for Fed rate hikes jumped. However, yields quickly fell back as rate-hike pricing returned to the levels they were prior to the release of the CPI.

In Europe, the Stoxx 600 gained 0.4% to end the session at a two-week high. Almost all major Asia-Pacific markets closed lower yesterday.

Local shares fell 0.6% yesterday and opened lower again this morning following the Wall Street sell-off. Yesterday's decline was led by miners and financials. Australian bond yields have slipped despite rising expectations of a cash rate hike.

Commodity prices fell against the stronger US dollar.

The US CPI rose 0.6% in September (mkt. exp. 0.6%), with more than half of the increase due to a 9.1% rise in petrol prices. The annual inflation rate increased 0.3ppts to 3.7%. The core CPI (ex. food and energy) rose 0.3% over the month, while annual core inflation accelerated 0.2ppts to 2.6%.

China's consumer price inflation remained soft in September, with the CPI rising 0.2% over the month and the annual rate edging up to 0.9%. Annual core CPI inflation (ex. food and energy) was steady at 1.0%. Annual producer price inflation jumped 1.2ppts to 5.0%, its highest level since 2022, amid higher oil prices.

Trade data showed that China's trade surplus rose to US\$133.5b in September, its highest level since January 2025, as exports jumped 11.4% over the month (36.3% YoY), outpacing an 11.0% surge in imports (31.0% YoY). The rise in exports was driven mainly by shipments of high-tech products. Iron ore imports climbed 1.2% to 109.8 million tonnes, while steel exports rose 3.4% to 10.5 million tonnes, their highest level since December last year.

Economic Data Review

- **CH:** CPI (YoY, Sep) – Actual 0.9%, Expected 1.0%, Previous 0.8%.
- **CH:** PPI (YoY, Sep) – Actual 5.0%, Expected 4.4%, Previous 3.8%.
- **CH:** Trade Surplus (Sep) – Actual US\$133.5b, Expected US\$117.8b, Previous US\$119.1b.
- **US:** CPI (MoM, Sep) – Actual 0.6%, Expected 0.6%, Previous 0.4%.

Economic Data Preview

- **AU:** Employment (Monthly Change, Sep) – Expected 20.0k, Previous 39.5k.
- **AU:** Unemployment Rate (Sep) – Expected 4.6%, Previous 4.6%.
- **US:** PPI (MoM, Sep) – Expected 0.6%, Previous 0.4%.
- **US:** Retail Sales (MoM, Sep) – Expected 0.3%, Previous 1.1%.