

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6609	0.0%	WTI Crude Oil	59.67	\$0.62
	90-day Bill	3.68	AUD/JPY	102.51	0.0%	Brent Crude Oil	63.26	\$0.59
	3-year Bond	4.03	AUD/EUR	0.5674	0.1%	Mogas95*	76.60	-\$0.01
	10-year Bond	4.69	AUD/GBP	0.4959	0.1%	CRB Index	303.92	1.66
US			AUD/NZD	1.1469	0.1%	Gold	4205.42	-\$6.38
			AUD/CNY	4.6784	0.4%	Silver	57.11	-\$1.41
	2-year	3.52	EUR/USD	1.1648	-0.1%	Iron Ore (62% Fe)**	104.25	-\$0.15
	10-year	4.10	USD/JPY	155.11	-0.1%	Iron Ore (25-26 Average)	103.21	\$0.01
Other 10-year			USD/CNY	7.0719	0.1%	Copper	11450.00	-\$37.50
			RBA Policy			Equities		
			O/N Cash Rate Target	3.60		ASX200	8619	48
			Interbank O/N Cash Rate	3.60		Dow Jones	47851	-32
Japan	1.94	2	Probability of a 25bps Cut in Dec	0.0%		S&P500	6857	7
Germany	2.77	2	RBA Bond Holdings (28 Nov)	A\$250.3b		Stoxx600	579	3
UK	4.44	-1				CSI300	4547	16

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

**Iron ore is the second SGX futures contract.

The gains on Wall Street ran out of steam on Thursday night, as the somewhat better US labour market data puzzled some investors. The S&P 500 and Nasdaq ticked up by 0.1% and 0.2%, respectively, but results were mixed across the sectors. US Treasury yields picked up a little, while the US dollar appreciated, despite a fed funds rate cut remaining almost entirely priced in for next week.

US initial jobless claims dropped to 191k last week, which is the lowest level since September 2022. While the figures are seasonally adjusted, some analysts attributed this decline to the Thanksgiving Day holiday. Continued claims were little changed at around 1,940k in the week ending 22 November.

A separate set of data from Challenger, Gray and Christmas suggested that job cuts rose by 24% over the year to November, less than the 53% annual increase in October. However, job cuts have remained above 70k in November, which has happened only twice before in the history of the series (in 2008 and 2022).

The ASX 200 picked up by 0.3% yesterday, with gains and losses almost equally split across sector. The strongest decline was recorded in the interest rate sensitive real estate, while materials saw the largest gain. The Aussie share market is trading sideways this morning.

The Australian dollar was little changed against all the major currencies, with the AUD/USD remaining around its one-month high, just above US\$0.66. The AUD/JPY also stayed at the highest levels since mid-2022.

Commonwealth bond yields rose slightly, with the larger move at the back end of the curve. This came despite cash rate hike expectations starting to shift towards early 2026, supported by solid household spending data for October. At the time of writing, a 25bps hike is around 15% priced in for February, and is fully priced in by the end of 2026.

Aussie **household spending indicator** rose by 1.3% in October, over twice more than expected by the markets, with gains broad-based across goods and services as well as discretionary and essential items. The annual rate of growth increased to a two-year 5.6%. The strength in household spending growth in October most likely resulted from an early start of some Black Friday sales this year, but it still stands at odds with deterioration in consumer sentiment during that month suggested by the Westpac Melbourne Institute measure.

Goods trade surplus rose to A\$4.4b in October, roughly in line with the market expectations, supported by a 3.4% rise in exports, partly offset by a 2.0% gain in imports. The rise in exports was broad-based, with declines only for coal and metals excluding non-monetary gold. Non-monetary gold exports, in turn, saw the strongest increase, to be just a notch short of their record high from June.

Economic Data Review

- **AU:** Goods Trade Balance (Oct) – Actual A\$4.4b, Expected A\$4.5b, Previous A\$3.7b (revised).
- **AU:** Household Spending Indicator (Oct) – Actual 1.3%, Expected 0.6%, Previous 0.3% (revised).
- **US:** Initial Jobless Claims (w/e 29 Nov) – Actual 191k, Expected 220k, Previous 218k (revised).

Economic Data Preview

- **US:** Personal Spending (MoM, Sep) – Expected 0.3%, Previous 0.6%.
- **US:** PCE Price Index (MoM, Sep) – Expected 0.3%, Previous 0.3%.
- **US:** University of Michigan Consumer Confidence (Dec, prel.) – Expected 52.0, Previous 51.0.