Market Daily Update

15 OCTOBER 2025

Interest Rates			FX			Commodities US$		
Australia		Δ bp	AUD/USD	0.6490	-0.4%	WTI Crude Oil	58.59	-$1.09
90-day Bill	3.56	0	AUD/JPY	98.46	-0.9%	Brent Crude Oil	62.27	-$1.25
3-year Bond	3.46	-4	AUD/EUR	0.5590	-0.8%	Mogas95*	75.46	-$0.97
10-year Bond	4.23	-6	AUD/GBP	0.4870	-0.4%	CRB Index	294.51	-1.03
			AUD/NZD	1.1370	-0.2%	Gold	4156.54	$32.75
			AUD/CNY	4.6328	-0.3%	Silver	51.93	-$0.55
US			EUR/USD	1.1609	0.4%	Iron Ore (62% Fe)**	105.30	-$1.40
2-year	3.47	-3	USD/JPY	151.72	-0.5%	Iron Ore (25-26 Average)	102.64	$0.01
10-year	4.02	-3	USD/CNY	7.1372	0.1%	Copper	10578.00	-$242.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8978	114
Other 10-year			Interbank O/N Cash Rate		3.60	Dow Jones	46270	203
Japan	1.66	-2	Probability of a 25bps Cut in Nov		41.5%	S&P500	6644	-10
Germany	2.61	-3	RBA Bond Holdings (30 Sep)		A$272.1b	Stoxx600	565	-2
UK	4.59	-7				CSI300	4539	-55

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

The S&P 500 and Nasdaq closed lower last night, as the gains during the session resulting from dovish comments by Fed Chair Jerome Powell were insufficient to make up for a weak start. US Treasury yields fell a little further, while the US dollar appreciated and the gold price reached a new record high, as some traders remain concerned about the impacts of the new phase of US-China trade war.

The ASX 200 surged by nearly 1.0% at the open this morning, after closing 0.2% higher yesterday when solid increases in minerals and energy stocks more than offset losses in most other sectors. The Australian dollar depreciated against all the major currencies, while Commonwealth bond yields fell slightly more than their US equivalents.

Speaking overnight, Fed Chair Jerome Powell suggested that US employment growth is weak enough at this point for the unemployment rate to increase, while economic activity growth is slowing more than anticipated. This was interpreted as a sign of another fed funds rate cut, which is fully priced in for November. Chair Powell also signalled a possible end to quantitative tightening in the coming months.

The IMF has upgraded its near-term global economic growth forecasts, with world GDP expected to rise by 3.2% in 2025, 0.2ppts more than was expected in July, although this is still 0.1ppts slower than estimated for 2024. The world GDP growth forecast of 3.1% for 2026 was unchanged. US GDP growth was revised 0.1ppts upwards for both 2025 and 2026, to 2.0% and 2.1%, respectively, while the forecasts for China were kept unchanged at 4.8% and 4.7%. The IMF also forecasts that Aussie GDP growth will accelerate from 1.0% in 2024 to 1.8% in 2025 and 2.1% in 2026.

Data-wise, NFIB small business optimism fell to a three-month low in September but stayed above the series average.

At home, NAB business conditions were unchanged at an upwardly revised 8 points in September, which is somewhat above the series average. Business confidence retraced its August decline, returning to 7 points, which is also slightly higher than the longer-run average. The NAB business report for September also suggested a slight acceleration in growth in purchase costs and final products prices, while labour cost growth slowed.

The Minutes from the RBA Monetary Policy Board meeting in late September brought no major surprises, confirming that members found it appropriate to remain ‘cautious and data-dependent’. The members assessed that the incoming data suggests that private demand might have recovered ‘a little more quickly’ than forecast just in August, while the CPI indicator outcomes for the first two months of Q3 implied some upside risks to the August projection. They were also of the opinion that, despite the recent slowdown in employment growth, the labour market was still ‘a little tight’.

Economic Data Review

- **AU:** NAB Business Conditions (Sep) – Actual 8, Previous 8 (revised).
- **AU:** NAB Business Confidence (Sep) – Actual 7, Previous 4.
- **US:** NFIB Small Business Optimism (Sep) – Actual 98.8, Expected 100.6, Previous 100.8.

Economic Data Preview

- **AU:** Westpac Leading Index (MoM, Sep) – Previous -0.04%.
- **CH:** CPI (YoY, Sep) – Expected -2.3%, Previous -2.9%.
- **CH:** PPI (YoY, Sep) – Expected -0.2%, Previous -0.4%.
- **US:** Beige Book.