

Interest Rates			FX			Commodities US\$			
Australia		Δ bp	AUD/USD	0.6545	-0.2%	WTI Crude Oil	61.34	\$1.12	
	90-day Bill	3.64	0	AUD/JPY	100.88	0.0%	Brent Crude Oil	65.13	\$0.46
	3-year Bond	3.64	2	AUD/EUR	0.5676	0.2%	Mogas95*	78.35	-\$1.26
	10-year Bond	4.34	2	AUD/GBP	0.4983	0.0%	CRB Index	302.54	1.77
			AUD/NZD	1.1442	0.2%	Gold	3971.16	-\$57.13	
			AUD/CNY	4.6579	0.0%	Silver	48.41	-\$0.44	
US			EUR/USD	1.1530	-0.4%	Iron Ore (62% Fe)**	106.20	-\$0.20	
	2-year	3.57	-3	USD/JPY	154.14	0.1%	Iron Ore (25-26 Average)	103.02	\$0.04
	10-year	4.08	-2	USD/CNY	7.1194	0.1%	Copper	10887.50	-\$29.50
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		3.60	ASX200	8838	-81	
			Interbank O/N Cash Rate		3.60	Dow Jones	47563	41	
	Japan	1.67	1	Probability of a 25bps Cut in Nov		4.6%	S&P500	6840	18
	Germany	2.63	-1	RBA Bond Holdings (30 Sep)		A\$272.1b	Stoxx600	572	-3
	UK	4.41	-2				CSI300	4641	-69

*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 rose to a fresh record high, as investors started to show some cautious optimism about the US-China trade truce. The gains were led by a strong rise in consumer discretionary shares, which were boosted by a positive earnings report from Amazon. US Treasury yields retreated, but the US dollar appreciated.

The gains in the US followed losses in Europe and most of the Asia-Pacific, with the notable exception of Japan, where the Nikkei bounced to a record high on stimulus hopes and signs of no imminent rate increases from the BoJ.

The ASX 200 closed flat on Friday, with heavy losses in consumer discretionary stocks, before opening in the red today. The Australian dollar depreciated versus the stronger greenback, while Commonwealth bond yields picked up this morning.

In commodity markets, oil prices picked up slightly as OPEC+ delivered another output hike, but announced a pause in production increases in Q1 2026. The gold price declined back below US\$4,000 an ounce.

From Fedspeak, Kansas City Fed President Jeffrey Schmid said that he did not support a rate cut last week due to inflation running slightly too high. Dallas Fed President Lorie Logan (a non-voter) voiced a similar opinion.

Data-wise, Aussie PPI rose by 0.1% QoQ and 3.5% YoY in Q3. Private sector credit rose by another 0.6% MoM in September, while the annual rate of credit growth remained at an equal 1.5-year high of 7.3%. The Cotality home value index for capital cities rose by 1.1% in October, the most since mid-2023, taking the median value to a new record high of A\$960k. Perth home prices picked up the most of the capital cities, by 1.9%, with the median value reaching A\$884k.

From global data, the Chinese NBS composite PMI declined by 0.6pts to stagnant 50 points in October. Contraction in manufacturing and construction accelerated, while services saw continued sluggish expansion.

It will be a very busy week domestically, with the RBA Monetary Policy Board cash rate target decision and the Statement on Monetary Policy with the updated projections tomorrow being the two major events. This will be preceded by September dwelling approvals and the household spending indicator later today. The last domestic release of note will be the September goods trade balance on Thursday. This week's highlights offshore include US and Chinese PMI figures, US ADP employment report and Chinese trade report; all these releases are for October.

Economic Data Review

- **AU:** Cotality Home Value Index (MoM, Oct) – Actual 1.1%, Previous 0.9%.
- **AU:** Private Sector Credit (MoM, Sep) – Actual 0.6% Expected 0.6%, Previous 0.6%.
- **AU:** PPI (QoQ, Q3) – Actual 1.0%, Previous 0.7%.
- **CH:** NBS Composite PMI (Oct) – Actual 50.0, Previous 50.6.

Economic Data Preview

- **AU:** Dwelling Approvals (MoM, Sep) – Expected 5.0%, Previous -6.0%.
- **AU:** Household Spending Indicator (MoM, Sep) – Expected 0.4%, Previous 0.1%.
- **AU:** Melbourne Institute Inflation Gauge (MoM, Oct) – Previous 0.4%.
- **AU:** ANZ Job Ads (MoM, Oct) – Previous -3.3%.
- **CH:** RatingDog Manufacturing PMI (Oct) – Expected 50.7, Previous 51.2.
- **US:** ISM Manufacturing PMI (Oct) – Expected 49.5, Previous 49.1.