# Market Daily Update

23 OCTOBER 2025

| Interest Rates | | | FX | | | Commodities US$ | | |
|---|---|---|---|---|---|---|---|---|
| **Australia** | | **Δ bp** | AUD/USD | 0.6487 | -0.1% | WTI Crude Oil | 59.93 | $2.44 |
| 90-day Bill | 3.49 | 0 | AUD/JPY | 98.57 | 0.1% | Brent Crude Oil | 62.59 | $1.04 |
| 3-year Bond | 3.34 | 0 | AUD/EUR | 0.5588 | -0.1% | Mogas95* | 78.13 | $2.68 |
| 10-year Bond | 4.10 | -1 | AUD/GBP | 0.4858 | 0.1% | CRB Index | 297.93 | 2.52 |
| | | | AUD/NZD | 1.1309 | 0.1% | Gold | 4084.97 | $5.62 |
| | | | AUD/CNY | 4.6214 | -0.1% | Silver | 48.28 | $0.20 |
| **US** | | | EUR/USD | 1.1609 | 0.0% | Iron Ore (62% Fe)** | 103.85 | -$0.15 |
| 2-year | 3.44 | -1 | USD/JPY | 151.96 | 0.2% | Iron Ore (25-26 Average) | 102.74 | $0.02 |
| 10-year | 3.95 | -1 | USD/CNY | 7.1251 | 0.0% | Copper | 10663.00 | $39.50 |
| | | | **RBA Policy** | | | **Equities** | | |
| | | | O/N Cash Rate Target | | 3.60 | ASX200 | 9001 | -24 |
| **Other 10-year** | | | Interbank O/N Cash Rate | | 3.60 | Dow Jones | 46590 | -334 |
| Japan | 1.65 | -1 | Probability of a 25bps Cut in Nov | | 66.9% | S&P500 | 6699 | -36 |
| Germany | 2.56 | 1 | RBA Bond Holdings (30 Sep) | | A$272.1b | Stoxx600 | 572 | -1 |
| UK | 4.42 | -6 | | | | CSI300 | 4593 | -15 |

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

US stocks retreated last night, dragged down by disappointing earnings from some major companies and concerns over potentially more restrictions on software exports to China. The losses were led by industrials, consumer discretionary, and communication services, with the latter dragged down by disappointing earnings from Netflix. Tesla's earnings, delivered after the market close, also missed expectations. US Treasury yields fell slightly, while the US dollar was broadly steady.

US Treasury Secretary Scott Bessent said that the US administration is weighing export restrictions on a broad range of critical software as a retaliatory measure against the restrictions on critical minerals exports recently imposed by China. Secretary Bessent did not disclose further details or a timeline, but said that 'everything is on the table'.

The declines on Wall Street followed mixed results in Europe and the Asia-Pacific region. The ASX 200 opened lower this morning after falling by 0.7% yesterday, with declines led by materials. The Australian dollar was little changed against the major currencies, while Commonwealth bond yields saw only a slight decline at the back end of the yield curve.

Oil prices rose by nearly 5%, with a somewhat stronger increase in the US benchmark, WTI, as the US Energy Information Administration reported a decline in crude stockpiles to the lowest level in around a month.

In addition, the US Treasury Department sanctioned two Russian oil giants, Rosneft and Lukoil, while the European Union reached an agreement on another sanctions package targeting entities that helped Russia evade the previous sanctions. At the same time, US President Donald Trump and the Russian President appear much less likely to hold the anticipated talks on a ceasefire in Ukraine at this stage.

In other commodity markets, iron ore futures were steady at above US$100 a tonne. Copper futures gained 0.4% on more supply concerns after another mine collapse, this time in the Dominican Republic. The gold price has stabilised after a sharp fall on Tuesday and remains above US$4,000 an ounce.

Data-wise, the UK CPI was unchanged in September, while the annual rate of inflation remained at a 1.5-year high of 3.8%. This was a downside surprise to market participants, who expected inflation rates at 0.1% MoM and 4.0% YoY. Annual core inflation unexpectedly declined by 0.1ppts to a four-month low of 3.5%.

Both the core and headline annual rates are above the Bank of England's 2% target and are a result of hikes in administered prices earlier this year. The Bank of England expects inflation to decline towards the target next year. Given this, market participants continue to expect renewed monetary policy easing at the turn of 2025 and 2026, after the approval of the next UK budget brings some degree of certainty about the fiscal policy outlook.

## Economic Data Review

- **UK:** CPI (MoM, Sep) – Actual 0.0%, Expected 0.1%, Previous 0.3%.

## Economic Data Preview

- **US:** Existing Home Sales (MoM, Sep) – Expected 1.4%, Previous -0.2%.