

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6525	0.8%	WTI Crude Oil	58.47	\$0.44
90-day Bill	3.67	1	AUD/JPY	101.88	0.8%	Brent Crude Oil	63.13	\$0.65
3-year Bond	3.84	7	AUD/EUR	0.5624	0.5%	Mogas95*	77.76	\$1.04
10-year Bond	4.48	3	AUD/GBP	0.4926	0.2%	CRB Index	297.85	3.46
			AUD/NZD	1.1429	-0.7%	Gold	4164.47	\$22.26
			AUD/CNY	4.6130	0.6%	Silver	53.40	\$1.90
US			EUR/USD	1.1604	0.3%	Iron Ore (62% Fe)**	105.90	-\$0.15
2-year	3.48	1	USD/JPY	156.13	0.0%	Iron Ore (25-26 Average)	103.14	\$0.03
10-year	3.99	-1	USD/CNY	7.0761	-0.1%	Copper	10975.00	\$157.00
			RBA Policy			Equities		
Other 10-year			O/N Cash Rate Target	3.60		ASX200	8644	17
Japan	1.81	0	Interbank O/N Cash Rate	3.60		Dow Jones	47427	315
Germany	2.67	0	Probability of a 25bps Cut in Dec	5.6%		S&P500	6813	47
UK	4.42	-7	RBA Bond Holdings (31 Oct)	A\$272.1b		Stoxx600	574	6
						CSI300	4518	27

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

**Iron ore is the second SGX futures contract.

US stocks continued their ascent last night, as traders remained confident that the Fed will cut rates in December. The S&P 500 is just 1.1% off its record high from a month ago, though the tech-heavy Nasdaq is still a 3.4% below its peak. US Treasury yields were little changed, while the US dollar depreciated.

The Beige Book, which presents anecdotal evidence on developments in the Fed districts, suggested that economic activity was 'little changed' in the past month or so, with consumer spending declining further amid a fall in employment. At the same time, prices rose 'moderately' and input cost pressures continued in manufacturing and retail.

At the same time, US initial jobless claims, which can be choppy week-to-week, declined to 216k last week, which is the lowest level since mid-April.

From data delayed by the US Government shutdown, US durable goods orders rose by 0.5% in September, with core capital goods orders (non-defence excluding volatile aircraft) picking up by a solid 0.9%.

Closer to home, the RBNZ cut its official cash rate by 25bps to 2.25% yesterday. It appears that the Kiwi central bank is done with monetary policy easing, with neither the market nor the RBNZ seeing further rate cuts in the coming quarters.

In Australia, hopes for an RBA cash rate cut were seemingly dashed following the upside surprise to domestic CPI figures yesterday. Some market participants are starting to form expectations for rate hikes next year, though we reckon it is too early for the RBA to consider that. Commonwealth bond yields picked up, especially at the front end of the yield curve. The Australian dollar appreciated against all the major currencies, with the AUD/USD rising back above US\$0.65.

Regardless of the somewhat stronger inflation figures, the ASX 200 rose by 0.8% yesterday, with gains in all sectors except communication services, information technology, and utilities. The Aussie share market opened higher today.

The [inaugural full CPI report](#) showed that the annual rate of headline consumer price inflation unexpectedly rose by 0.2ppts to 3.8% in October, which is the highest level since mid-2024 when the inflation figures were still quarterly. The rise resulted not only from base effects on electricity prices due to the timing of energy bill relief measures, but also from the persistence of price growth in other many other categories, including services. Annual trimmed mean inflation rose by 0.1ppts to 3.3%, which is also somewhat above the 2-3% target band.

Construction work done fell by 0.7% in Q3, dragged down by a 5.8% drop in engineering work, which was only partly offset by a 2.0% rise in building work. Residential building increased by 1.9% in Q3, while non-residential building picked up by 2.0%.

Economic Data Review

- **AU:** CPI (YoY, Oct) – Actual 3.8%, Expected 3.6%, Previous 3.6%.
- **AU:** Construction Work Done (QoQ, Q3) – Actual -0.7%, Expected 0.3%, Previous 2.9% (revised).
- **US:** Durable Goods Orders (MoM, Sep) – Actual 0.5%, Expected 0.5%, Previous 3.0% (revised).
- **US:** Initial Jobless Claims (w/e 22 Nov) – Actual 216k, Expected 225k, Previous 222k (revised).

Economic Data Preview

- **AU:** Private Sector Capex (QoQ, Q3) – Expected 0.5%, Previous 0.2%.