

Interest Rates			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6537	-0.1%	WTI Crude Oil	60.95	-\$0.39
	90-day Bill	3.64	AUD/JPY	100.81	-0.1%	Brent Crude Oil	64.89	-\$0.24
	3-year Bond	3.65	AUD/EUR	0.5674	0.0%	Mogas95*	78.84	\$0.49
	10-year Bond	4.34	AUD/GBP	0.4976	-0.2%	CRB Index	306.09	3.55
US			AUD/NZD	1.1458	0.1%	Gold	3996.11	\$24.95
	2-year	3.60	AUD/CNY	4.6570	0.0%	Silver	47.96	-\$0.44
	10-year	4.11	EUR/USD	1.1520	-0.1%	Iron Ore (62% Fe)**	104.45	-\$1.75
			USD/JPY	154.22	0.1%	Iron Ore (25-26 Average)	103.02	\$0.00
Other 10-year			USD/CNY	7.1213	0.0%	Copper	10887.50	\$0.00
			RBA Policy			Equities		
			O/N Cash Rate Target	3.60		ASX200	8871	33
			Interbank O/N Cash Rate	3.60		Dow Jones	47337	-226
Japan	1.67	0	Probability of a 25bps Cut in Nov	4.6%		S&P500	6852	12
Germany	2.67	3	RBA Bond Holdings (31 Oct)	A\$272.1b		Stoxx600	572	0
UK	4.44	3				CSI300	4653	13

*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 started November with further gains, but the first trading session in the month was quite choppy, with results being pretty mixed across sectors. US Treasury yields rose back, as Fedspeakers continued to show disagreement about the balance of risks between the labour market and inflation, and monetary policy outlook in consequence. The US dollar appreciated a little, while the gold price picked up but remains below US\$4,000 an ounce.

The ASX 200 rose by 0.2% yesterday, with results mixed across sectors, but more than gave back these gains this morning. The Australian dollar and Commonwealth bond yields are quite steady ahead of the RBA decision later today. No changes are expected by markets or by us, but the focus will be on the updated projections and forward guidance during the press conference.

Data-wise, the US ISM manufacturing PMI declined by 0.4pts to 48.7 in October (below 50 = contraction), with ongoing, albeit slower, contraction in new orders, including new export orders, employment and imports. Prices paid growth decelerated, to be the slowest since February, but still solid by historical standards.

Across the Pacific, the RatingDog Chinese manufacturing PMI, which captures more mid-sized private companies compared to its NBS equivalent, declined by 0.6pts to 50.6 in October. The details of the report pointed to a renewed decline in export orders and a faster pace of selling price deflation.

At home, the [household spending indicator](#) rose by 0.2% in September, half of what was expected by the market consensus, while the August figures were revised downwards (from +0.1% to 0.0%). Household spending volumes also picked up by just 0.2% in Q3. The shift to illegal tobacco has weighed on the outcome to some extent, but – even if tobacco is excluded – a slowdown in household spending was evident.

From other domestic data, [dwelling approvals](#) bounced by 12.0% in September, supported by a surge in unit approvals. ANZ job ads fell by another 2.2% in October, reaching the lowest level since February 2021. The Melbourne Institute inflation gauge suggested that consumer price inflation was 0.3% MoM and 3.1% YoY; this measure is much narrower than official figures and is not targeted by the RBA. ANZ consumer confidence declined by 1.5% last week, with inflation expectations picking up by 0.4ppts to 5.2%.

Economic Data Review

- **AU:** Household Spending Indicator (MoM, Sep) – Actual 0.2%, Expected 0.4%, Previous 0.0% (revised).
- **AU:** Dwelling Approvals (MoM, Sep) – Actual 12.0%, Expected 5.0%, Previous -3.6% (revised).
- **AU:** Melbourne Institute Inflation Gauge (MoM, Oct) – Actual 0.3%, Previous 0.4%.
- **AU:** ANZ Job Ads (MoM, Oct) – Actual -2.2%, Previous -3.5% (revised).
- **CH:** RatingDog Manufacturing PMI (Oct) – Actual 50.6, Expected 50.7, Previous 51.2.
- **US:** ISM Manufacturing PMI (Oct) – Actual 48.7, Expected 49.5, Previous 49.1.

Economic Data Preview

- **AU:** RBA Monetary Policy Board Decision (Cash Rate Target) – Expected 3.60%, Previous 3.60%.
- **AU:** RBA Statement on Monetary Policy (Q3).