MARKET UPDATES

Market Daily Update

31 OCTOBER 2025

Interest Rates

Australia		**Δ bp**
90-day Bill	3.64	-1
3-year Bond	3.62	-1
10-year Bond	4.31	-1
US		
2-year	3.60	1
10-year	4.10	3
Other 10-year		
Japan	1.66	-1
Germany	2.64	2
UK	4.42	3

FX

AUD/USD	0.6557	-0.4%
AUD/JPY	100.92	0.5%
AUD/EUR	0.5667	0.0%
AUD/GBP	0.4983	-0.1%
AUD/NZD	1.1423	0.2%
AUD/CNY	4.6591	-0.2%
EUR/USD	1.1574	-0.3%
USD/JPY	153.91	0.9%
USD/CNY	7.1104	0.2%

Commodities US$

WTI Crude Oil	60.22	-$0.08
Brent Crude Oil	64.67	-$0.14
Mogas95*	79.61	-$1.52
CRB Index	300.77	-0.09
Gold	4028.29	$71.88
Silver	48.85	$1.01
Iron Ore (62% Fe)**	106.40	-$1.35
Iron Ore (25-26 Average)	102.98	$0.03
Copper	10917.00	-$266.50

RBA Policy

O/N Cash Rate Target	3.60
Interbank O/N Cash Rate	3.60
Probability of a 25bps Cut in Nov	4.6%
RBA Bond Holdings (30 Sep)	A$272.1b

Equities

ASX200	8919	7
Dow Jones	47522	-110
S&P500	6822	-68
Stoxx600	575	-1
CSI300	4710	-38

*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, despite the positive news from the Xi-Trump meeting. The markets also continued to process the outcome of the Fed press conference yesterday morning. US Treasury yields picked up a little further, while the US dollar appreciated more. Scepticism over the impact of the China-US summit drove the gold price higher.

The long-awaited meeting between US President Donald Trump and his Chinese counterpart Xi Jinping disappointed market participants slightly. The parties agreed to lower the fentanyl tariff rate by 10%, resulting in the effective tariff rate on US imports from China to decline to an estimated 47%. They also extended the truce on 'reciprocal' tariffs for a year. China agreed to resume importing US soybeans and suspend the recent export restrictions on rare earths and critical minerals to the US for a year. The above agreement only partly reverses the trade restrictions between the countries.

The apparent slight disappointment about the results of the China-US summit dragged on the AUD a little this morning. The ASX 200 opened higher today, however, after losing 0.4% yesterday. Commonwealth bond yields declined slightly across the yield curve.

The ECB kept its interest rates unchanged yesterday, including the deposit rate at 2.00%. When referring to the recent slight upside surprise in inflation (2.2% in September, compared to the ECB's goal of 'below but close to 2%'), she cited a slower decline in energy prices and slightly faster growth in prices for services. She assessed that the underlying measures of inflation remain aligned with ECB's inflation goal. The markets expect no more ECB rate cuts in this cycle.

Meanwhile, euro area GDP rose by 0.2% in Q3, slightly more than the 0.1% consensus, but was flat in the monetary union's economic powerhouse, Germany.

Closer to home, the Bank of Japan kept its policy balance rate unchanged at 0.50%, as expected. The decision was made by a vote, with a 7-2 split, the same as at the previous meeting. The Japanese central bank also downgraded its GDP growth outlook for the next two financial years and kept headline inflation forecasts unchanged. The markets saw this as a sign that rate increases are not coming soon, which led to a sharp depreciation of the Japanese yen and a slight decline in Japanese government bond yields. Markets continue to price in the next hike for the turn of Q1 and Q2 2026.

In Australia, the export price index declined by 0.9% in Q3, dragged down mainly by lower prices of fossil fuels, while import prices ebbed by 0.4%. Despite the quarterly decline, export and import prices remained up by 0.1% and 2.3% over the year, respectively. Due to a relatively stronger decline in export prices, terms of trade declined by 0.5% in Q3, bringing them down by 2.1% and to the lowest level since Q1 2021.

Economic Data Review

- **AU:** Export Price Index (QoQ, Q3) – Actual -0.9%, Previous -4.5%.
- **AU:** Import Price Index (QoQ, Q3) – Actual -0.4%, Previous -0.8%.
- **EZ:** GDP (QoQ, Q3, flash) – Actual 0.2%, Expected 0.1%, Previous 0.1%.

Economic Data Preview

- **AU:** PPI (QoQ, Q3) – Previous 0.7%.
- **AU:** Private Sector Credit (MoM, Sep) – Previous -0.8%.
- **CH:** NBS Composite PMI (Oct) – Previous 50.6.