Market Daily Update

10 DECEMBER 2025

Interest Rates			FX			Commodities US$		
Australia		∆ bp	AUD/USD	0.6643	0.3%	WTI Crude Oil	58.38	-$0.51
90-day Bill	3.72	2	AUD/JPY	104.21	0.9%	Brent Crude Oil	61.94	-$0.55
3-year Bond	4.19	12	AUD/EUR	0.5713	0.4%	Mogas95*	75.88	-$0.03
10-year Bond	4.78	6	AUD/GBP	0.4994	0.5%	CRB Index	299.63	-1.85
			AUD/NZD	1.1495	0.2%	Gold	4208.38	$15.56
			AUD/CNY	4.6895	0.2%	Silver	60.72	$2.61
US			EUR/USD	1.1626	-0.1%	Iron Ore (62% Fe)**	101.80	$0.15
2-year	3.61	4	USD/JPY	156.87	0.7%	Iron Ore (25-26 Average)	103.17	$0.00
10-year	4.18	2	USD/CNY	7.0636	-0.1%	Copper	11487.00	-$148.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8584	-8
Other 10-year			Interbank O/N Cash Rate		3.60	Dow Jones	47560	-179
Japan	1.97	0	Probability of a 25bps Hike in Feb		33.6%	S&P500	6841	-6
Germany	2.85	-1	RBA Bond Holdings (28 Nov)		A$250.3b	Stoxx600	578	-1
UK	4.51	-2				CSI300	4598	-24

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

US equities were mixed and Treasury yields are higher ahead of the FOMC interest rate decision tonight. Although a rate cut is widely expected, there is some concern the forward guidance could be a little too hawkish.

In Australia, Commonwealth bond yields rose, with a stronger increase at the front end of the curve following yesterday's RBA communication, which firmly indicated that the next move in the cash rate is likely to be an increase. The Australian dollar appreciated against all the major currencies, and hit a near 12-week high of US$0.6654 before edging down slightly. The ASX 200 lost 0.4% yesterday, with declines in all sectors led by information technology.

The RBA Monetary Policy Board left the cash rate target unchanged at 3.60% yesterday, but signalled possible rate hikes ahead. The post-meeting statement said that risks to inflation have tilted to the upside, while labour market conditions remain a little tight.

At the press conference, RBA Governor Michele Bullock was clear that the interest rate cutting cycle has likely come to an end, and said that the future rate hikes were discussed 'quite extensively' at the meeting. She also said the Board is waiting for the full Q4 inflation data and updated projections in February. This implies that the February meeting could be 'live'.

A 3 February increase – the first Monetary Policy Board meeting of 2026 – does seem a little early and may hinge on Q4 trimmed mean inflation (released with the monthly December CPI in late January) and the two labour market reports due before then. However, the futures market is currently pricing in a 34% chance of a hike in February and 52bps of increases by the end of the year.

The NAB business survey for November, saw the business conditions index fall 3pts to 7pts, to remain slightly above its long-term average, while the confidence index fell 5pts to just 1pt. The decline in business conditions in November was driven by trading and profitability, while employment conditions improved but remained moderate. Capacity utilisation climbed to an 18-month high of 83.6%, highlighting the capacity constraints concerning the RBA. The inflation indicators remain relatively benign. Growth in business purchase costs picked up from a near five-year low, while labour cost growth slowed and final product price inflation held steady.

In the US, the JOLTS report released overnight was for September and October due to the government shutdown. Job openings picked up to a five-month high, however, private sector hiring remained around the lowest levels since 2014, outside of the pandemic shutdowns in early 2020. The so-called quits rate, also fell to its lowest level since 2014 (outside of early 2020), suggesting workers are nervous about the prospect of finding another job if they leave their current one.

Economic Data Review

- **AU:** NAB Business Conditions (Nov) – Actual 7, Previous 10 (revised).
- **AU:** NAB Business Confidence (Nov) – Actual 1, Previous 6.
- **US:** JOLTS Job Openings (Oct) – Actual 7,658k, Expected 7,117k.

Economic Data Preview

- **CH:** CPI (YoY, Nov) – Expected 0.7%, Previous 0.2%.
- **CH:** PPI (YoY, Nov) – Expected -2.0%, Previous -2.1%.
- **US:** FOMC (IoER) – Expected 3.65%, Previous 3.90%.