Market Daily Update

17 OCTOBER 2025

Interest Rates			FX			Commodities US$		
Australia		Δ bp	AUD/USD	0.6482	-0.4%	WTI Crude Oil	57.39	-$1.43
90-day Bill	3.50	-7	AUD/JPY	97.28	-0.9%	Brent Crude Oil	60.98	-$1.53
3-year Bond	3.33	-14	AUD/EUR	0.5540	-0.9%	Mogas95*	74.70	-$1.16
10-year Bond	4.11	-10	AUD/GBP	0.4821	-0.7%	CRB Index	293.85	0.24
			AUD/NZD	1.1321	-0.6%	Gold	4362.75	$146.48
			AUD/CNY	4.6200	-0.4%	Silver	54.10	$0.94
US			EUR/USD	1.1701	0.4%	Iron Ore (62% Fe)**	104.75	$0.05
2-year	3.41	-9	USD/JPY	150.08	-0.5%	Iron Ore (25-26 Average)	102.69	$0.03
10-year	3.96	-7	USD/CNY	7.1246	0.0%	Copper	10647.00	$6.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target	3.60		ASX200	9034	8
Other 10-year			Interbank O/N Cash Rate	3.60		Dow Jones	45952	-301
Japan	1.63	-3	Probability of a 25bps Cut in Nov	78.5%		S&P500	6629	-42
Germany	2.57	0	RBA Bond Holdings (30 Sep)	A$272.1b		Stoxx600	572	4
UK	4.50	-4				CSI300	4618	12

*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 overnight, with losses led by financials, amid fresh concerns over US regional banks. Two of them, Zions Bancorp and Western Alliance Bancorp disclosed bad loans tied to an alleged fraud, which led to a 13% and 11% loss in their shares, respectively. US Treasury yields fell, especially at the front end of the yield curve, amid more dovish Fedspeak, while the US dollar depreciated.

Speaking overnight, Fed Governor Christopher Waller advocated for more interest rate cuts in 25bps increments, to support labour market conditions and warned that the wait-and-see approach might imply reacting when it is too late. His colleague Stephen Miran, who is still employed as a White House staffer, continued to call for a larger 50bps cut. Currently, a 25bps cut is more than fully priced in for the upcoming FOMC meeting om 28-29 October, which would be followed by a similar move in December.

Concerns over US regional banks served as a catalyst for another surge in the gold price to a fresh record high overnight. Oil prices dropped after US President Donald Trump announced in a social media post that he would meet with Russian President Vladimir Putin in Hungary's capital city, Budapest, in a fortnight.

At home, labour force survey results for September disappointed, leading to re-intensification of cash rate cut expectations, with a 25bps rate cut now around 78% priced in for November. Commonwealth bond yields dropped as a result, while the ASX 200 surged by 0.8% to above 9,000 points yesterday, to reach a fresh record high. The Australian dollar depreciated against all the major currencies.

Employment rose by 14.9k in September, while unemployment picked up by 33.9k, leading to a rise in the unemployment rate to a four-year high of 4.5%. This was a surprise to market participants, who expected a 20.0k gain in employment and the unemployment rate at 4.3%. The underemployment rate also rose in September, back to 5.9%, while the underutilisation rate – which combines unemployment and underemployment – reached a year-high of 10.4%.

RBA Governor Michele Bullock and her deputy Christopher Kent were speaking in Washington DC yesterday morning, concentrating on the degree of tightness in domestic monetary conditions. Governor Bullock described them as 'probably still a little tight, but not much'. On the other hand, Assistant Governor Kent said that this tightness had eased, which should help keep the economy balanced.

UK GDP rose by 0.1% in August, in line with the market expectations, making up for a 0.1% decline in the previous month (revised from a flat result for July). The slight uptick in GDP in August was thanks to a 0.4% rise in industrial production, which more than offset a 0.3% decline in construction, while services sector activity was unchanged.

Economic Data Review

- **AU:** Employment (monthly change, Sep) – Actual 14.9k, Expected 20.0k, Previous -11.9k (revised).
- **AU:** Unemployment Rate (Sep) – Actual 4.5%, Expected 4.3%, Previous 4.3% (revised).
- **UK:** GDP (MoM, Aug) – Actual 0.1%, Expected 0.1%, Previous -0.1% (revised).

Economic Data Preview

No market-moving data.