

Interest Rates				FX			Commodities		
Australia		Δ bp	AUD/USD	0.6965	0.2%	WTI Crude Oil	89.33	-\$1.36	
	90-day Bill	4.77	1	AUD/JPY	109.94	0.3%	Brent Crude Oil	100.41	-\$1.72
	3-year Bond	4.93	4	AUD/EUR	0.6210	0.5%	Mogas95*	129.32	-\$2.62
	10-year Bond	5.39	6	AUD/GBP	0.5269	0.4%	CRB Index	410.94	0.85
			AUD/NZD	1.2443	0.5%	Gold	4140.12	-\$15.99	
			AUD/CNY	4.6498	0.1%	Silver	61.05	\$0.01	
US			EUR/USD	1.1217	-0.3%	Iron Ore (61% Fe)**	91.75	\$0.45	
	2-year	4.82	1	USD/JPY	157.85	0.1%	Iron Ore (26-27 Average)	96.86	-\$0.07
	10-year	5.31	5	USD/CNY***	6.7060	0.0%	Copper	14420.00	\$161.50
			RBA Policy			Equities			
Other 10-year			O/N Cash Rate Target		4.60	ASX200	8722	-4	
			Interbank O/N Cash Rate		4.60	Dow Jones	51268	91	
	Japan	3.12	1	Probability of a 25bps Hike in Nov		24.4%	S&P500	7774	51
	Germany	3.49	3	RBA Bond Holdings (30 Sep)		A\$214.7b	Stoxx600	634	2
	UK	5.42	5				CSI300***	4358	0

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

**Iron ore is the second SGX futures contract.

***Unchanged due to public holiday

Technology stocks led US equities higher overnight, with the market rising for a third consecutive session. The S&P 500 closed at its highest level since 14 August, while the tech-heavy Nasdaq reached a record high. Longer-term Treasury yields continued to rise, with the 10-year yield reaching its highest level in almost 25 years. Oil prices edged lower despite reports of increased attacks on shipping in the Strait of Hormuz.

The US dollar index rose to a fresh 18-month high, largely reflecting a weaker euro, which fell to a 17-month low amid mounting concerns over French government finances. Traders remain doubtful that the government can secure parliamentary support for budget repair measures. The spread between French and German government bond yields widened to its highest level since the euro area sovereign debt crisis in 2011-12.

European equities rose for a second consecutive session, with most markets closing higher and France being the notable underperformer. Asia-Pacific markets were mixed, with mainland Chinese and South Korean bourses among those closed for a public holiday. Markets in Japan, Hong Kong and Taiwan gained.

At home, the ASX 200 was virtually unchanged yesterday amid thin trading, with several states observing a public holiday. The Australian bond market was closed, although yields opened higher this morning following moves in offshore markets. The Australian dollar gained against the stronger US dollar and other major currencies.

The ISM services PMI eased by 0.5pts to 54.9 in September, signalling a slightly slower but still robust pace of expansion. A reading above 50 indicates growth. Business activity and new orders grew at a slower pace, while the employment index returned to expansion. Input price inflation accelerated, and computer products and memory chips remained among the items reported to be in short supply.

The Westpac-Melbourne Institute consumer sentiment index fell 4.7% to 80.4 in October, its lowest level since May. The index remains firmly in pessimistic territory, with readings below 100 indicating that pessimists outnumber optimists. All subindexes comprising the headline measure declined. Among the additional indexes, the time to buy a dwelling index rose 3.4% despite the recent cash rate increase. The unemployment expectations index climbed to its highest level since April, suggesting consumers have become more concerned about the labour market outlook.

The Melbourne Institute inflation gauge, an early indicator of Australian CPI, rose 0.3% in September after increasing 0.5% in August, leaving it 4.8% higher over the year. The trimmed mean measure rose 0.1% for the second month in a row, while the annual rate eased by 0.1ppts to 4.2%.

Economic Data Review

- **AU:** Melbourne Institute Inflation Gauge (MoM, Sep) – Actual 0.3%, Previous 0.5%.
- **AU:** Westpac - Melbourne Institute Consumer Sentiment (Oct) – Actual 80.4, Previous 84.4.
- **US:** ISM Services PMI (Sep) – Actual 54.9, Expected 55.0, Previous 55.4.

Economic Data Preview

- **AU:** ANZ-Indeed Job Ads (MoM, Sep) – Previous 2.5%.
- **US:** Trade Balance (Sep) – Expected -US\$102.0b, Previous -US\$88.6b.