

Interest Rates (%)			FX			Commodities US\$		
Australia			AUD/USD	0.7130	0.2%	WTI Crude Oil	40.62	\$0.67
90-day Bill	0.06	0	AUD/JPY	74.78	0.5%	Brent Crude Oil	42.46	\$0.73
3-year Bond	0.15	-1	AUD/EUR	0.6032	0.6%	Mogas95*	45.55	-\$0.50
10-year Bond	0.86	5	AUD/GBP	0.5451	0.6%	CRB Index	151.77	0.73
			AUD/NZD	1.0683	0.0%	Gold	1905.57	-\$18.44
			AUD/CNY	4.7643	0.7%	Silver	24.71	-\$0.30
US			EUR/USD	1.1820	-0.3%	Iron Ore (62% Fe)**	116.79	-\$0.56
2-year	0.16	1	USD/JPY	104.87	0.3%	Iron Ore (20-21 Average)	114.32	\$0.03
10-year	0.86	4	USD/CNY	6.6821	0.5%	Copper	6922.50	-\$69.00
			RBA Policy			Equities		
			O/N Cash Rate Target	0.25%		ASX200	6175	10
			Interbank O/N Cash Rate	0.13%		Dow Jones	28364	153
Other 10-year			RBA Government Bond Purchases	A\$63.3B		S&P500	3453	17
Japan	0.04	1				Stoxx600	360	-1
Germany	-0.57	1				CSI300	4778	-15
UK	0.29	5						

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

**Iron ore is the second SGX futures contract.

US stock indices closed higher, after another choppy session. Both the Democratic Speaker of the House of Representatives and the White House confirmed that progress on fiscal stimulus talks has been made, though the Republicans in Congress, which hold a majority in the US Senate, still object to a large-size package.

US economic data was supportive of equity market sentiment. The weekly unemployment insurance report printed a positive surprise. Both initial and continued jobless claims declined more than expected, while the previous week's figures were revised downwards. The number of US citizens on some form of dole, however, remains well above 25 million. Existing home sales surged more than expected in September, reaching another 14-year high.

The rise in US equity prices followed declines in Europe. The pandemic is accelerating in the major European economies, with Germany and France seeing another record number of new SARS-CoV-2 infections. The number of total COVID-19 cases in France and Spain has surpassed 1 million. The UK government has announced increases to the job support program, which is to replace the furlough scheme in November.

Commodity prices were mixed overnight, with rises in oil prices supported, among other things, by comments by the Russian President that OPEC+ oil supply cuts might be extended. The relaxation of cuts is currently scheduled for January. Iron ore and copper prices declined somewhat.

Long-term government bond yields increased in the advanced economies, including Australia. The Australian dollar strengthened on better global market sentiment, though the scale of the appreciation versus the US dollar was limited.

The Australian PMI Composite rose in October, pointing to an acceleration in output growth. The recovery strengthened in services, while manufacturing saw slightly slower growth. PMI flash reports for the major advanced economies will be released later today.

ECONOMIC DATA REVIEW

- **AU:** PMI Composite (Oct) – Actual 53.6, Previous 50.5.
- **US:** Initial Jobless Claims (w/e 17 Oct) – Actual 787k, Forecast 860k, Previous 842k (revised).
- **US:** Continued Jobless Claims (w/e 10 Oct) – Actual 8,373k, Forecast 9,500k, Previous 9,397k (revised).
- **US:** Existing Home Sales (annualised, Sep) – Actual 6,540k, Forecast 6,300k, Previous 5,980k.

ECONOMIC DATA PREVIEW

- **JP:** PMI Composite (flash, Oct) – Previous 46.6.
- **EZ:** PMI Composite (flash, Oct) – Previous 50.4.
- **US:** PMI Composite (flash, Oct) – Previous 54.3.

DISCLAIMER

Any opinions, judgments, conclusions, forecasts, predictions or estimations contained in this advice are made in reliance on information provided to Western Australian Treasury Corporation which Western Australian Treasury Corporation believes to be reliable. Western Australian Treasury Corporation, however, cannot guarantee the accuracy of that information. Thus, any recommendations are made in good faith but are provided only to assist you with any decisions which you make. These recommendations are not intended to be a substitute for professional advice on a particular matter. Before accepting or rejecting those recommendations you must discuss your particular needs and circumstances with Western Australian Treasury Corporation.