

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6450	-0.7%	WTI Crude Oil	68.62	\$0.43
90-day Bill	4.42	-1	AUD/JPY	101.02	0.0%	Brent Crude Oil	72.56	\$0.28
3-year Bond	4.19	-3	AUD/EUR	0.6127	-0.3%	Mogas95*	82.47	\$0.31
10-year Bond	4.65	-4	AUD/GBP	0.5094	-0.3%	CRB Index	280.52	0.24
			AUD/NZD	1.1037	0.0%	Gold	2567.29	-\$4.75
			AUD/CNY	4.6749	-0.4%	Silver	30.40	\$0.05
<b>US</b>			EUR/USD	1.0528	-0.4%	Iron Ore (62% Fe)**	98.45	-\$2.00
2-year	4.36	6	USD/JPY	156.61	0.6%	Iron Ore (24-25 Average)	101.17	-\$0.05
10-year	4.45	-1	USD/CNY	7.2271	-0.1%	Copper	8990.00	-\$57.00
			RBA Policy			Equities		
<b>Other 10-year</b>			O/N Cash Rate Target	4.35		ASX200	8263	29
Japan	1.07	1	Interbank O/N Cash Rate	4.34		Dow Jones	43751	-207
Germany	2.34	-5	Probability of a 25bps Cut in Dec	8.9%		S&P500	5949	-36
UK	4.48	-4	RBA Bond Holdings (31 Oct)	A\$311.7b		Stoxx600	507	5
						CSI300	4040	-71

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

\*\*Iron ore is the second SGX futures contract.

Wall Street retreat last night, as upward revisions saw annual US PPI inflation surprise to the upside and Fed Chair Jerome Powell said that there is no rush to ease monetary policy. The probability of a 25bps fed funds rate cut in December declined to around 60% from over 80% on Wednesday. US Treasury yields climbed at the front end of the yield curve, but there were declines for longer maturities. The US dollar index climbed to a 12-month high.

The Australian dollar depreciated against the major currencies. The AUD/USD is now the lowest since mid-April. Commonwealth bond yields declined across the curve. The ASX 200 closed 0.5% higher yesterday, with gains in most sectors led by information technology and financials, before opening in the black this morning.

US PPI rose by 0.2% in October, in line with market expectations, but the September outcome was revised upwards, from a flat result to a 0.1% uptick. As a result, the annual rate of producer price inflation surprised slightly to the upside (2.4% versus the 2.3% expected). Annual core producer price inflation, which excludes food, energy and trade, rose 0.2ppts to 3.5%. From other data, US initial jobless claims declined to 217k last week, falling back after the hurricanes and strikes pushed them higher in October.

Speaking this morning (AWST), Fed Chair Jerome Powell said that the US economic conditions are strong and is not 'sending any signals that we need to be in hurry to lower rates'. On disinflation, Chair Powell reminded that it may be sometimes 'on a bumpy path', but pledged to watch carefully to make sure it continues to decline.

Australian [employment](#) growth declined to 15.9k in October, missing market expectations for a 25.0k gain and being the slowest since employment fell 9.3k in March. This followed supersized increases in recent months. The unemployment rate was unchanged at a low 4.1%, while the underemployment rate declined to a six-month low of 6.3%.

Melbourne Institute consumer inflation expectations declined to 3.8% in November, the lowest level since August 2021. RBA Governor Michele Bullock participated in a panel discussion yesterday but declined to comment on whether she was satisfied with current market pricing of the first cash rate cut for August 2025. However, she reiterated RBA monetary policy is less restrictive than in some other advanced economies, implying less urgency to reduce interest rates.

### Economic Data Review

- **AU:** Employment (monthly change, Oct) – Actual 15.9k, Expected 25.0k, Previous 61.3k (revised).
- **AU:** Unemployment Rate (Oct) – Actual 4.1%, Expected 4.1%, Previous 4.1%.
- **AU:** Consumer Inflation Expectations (Oct) – Actual 3.8%, Previous 4.0%.
- **US:** PPI (MoM, Oct) – Actual 0.2%, Expected 0.2%, Previous 0.1% (revised).
- **US:** Initial Jobless Claims (w/e 9 Nov) – Actual 217k, Expected 220k, Previous 221k.

### Economic Data Preview

- **JP:** Employment (monthly change, Oct) – Expected 25.0k, Previous 64.1k.
- **CH:** Retail Sales (YoY, Oct) – Expected 3.8%, Previous 3.2%.
- **CH:** Industrial Production (YoY, Oct) – Expected 5.6%, Previous 5.4%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Oct) – Expected 3.5%, Previous 3.4%.
- **US:** Retail Sales (MoM, Oct) – Expected 0.3%, Previous 0.4%.
- **US:** Industrial Production (MoM, Oct) – Expected -0.3%, Previous -0.3%.