

Interest Rates (%)			FX			Commodities US\$		
<b>Australia</b>		<b>Δ bp</b>	AUD/USD	0.6508	-0.5%	WTI Crude Oil	69.01	-\$0.54
90-day Bill	4.42	0	AUD/JPY	100.89	-0.4%	Brent Crude Oil	72.81	-\$0.50
3-year Bond	4.10	2	AUD/EUR	0.6172	0.1%	Mogas95*	84.52	-\$0.20
10-year Bond	4.57	2	AUD/GBP	0.5143	-0.2%	CRB Index	286.24	1.14
			AUD/NZD	1.1073	0.2%	Gold	2656.39	\$17.46
			AUD/CNY	4.7063	-0.4%	Silver	31.01	-\$0.28
<b>US</b>			EUR/USD	1.0544	-0.6%	Iron Ore (62% Fe)**	101.40	\$0.00
2-year	4.30	3	USD/JPY	155.04	0.1%	Iron Ore (24-25 Average)	101.14	\$0.00
10-year	4.40	1	USD/CNY	7.2455	0.1%	Copper	9089.50	\$2.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8326	-38
			Interbank O/N Cash Rate	4.34		Dow Jones	43408	140
<b>Other 10-year</b>			Probability of a 25bps Cut in Dec	8.9%		S&P500	5917	0
Japan	1.08	1	RBA Bond Holdings (31 Oct)	A\$311.7b		Stoxx600	500	0
Germany	2.35	1				CSI300	3986	9
UK	4.47	3						

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

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

US markets were again mixed last night, with the Dow Jones closing higher, while the S&P 500 was unchanged and the tech-heavy Nasdaq closed marginally lower. Traders were jittery ahead of semiconductor darling Nvidia's quarterly earnings report, which delivered after market close and met expectations but missed revenue estimates. The escalation of the Russian-Ukrainian conflict also continued to weigh-in on sentiment, as Ukraine reportedly fired UK-made missiles into Russian territory and Russia reportedly moved its Tu-type strategic bombers closer to the border.

The geopolitical concerns translated into appreciation of the US dollar, while US Treasury yields rose despite slightly dovish Fed speak. Fed Governor Lisa Cook said that the fed funds rate will continue to be lowered, though the pace and timing of cuts will be data-dependent. Governor Cook welcomed the disinflation process since 2022, adding that the US labour market, while still solid, is not adding to inflation at the moment.

The Australian dollar depreciated against all the major currencies except for the euro. Commonwealth bond yields rose across the yield curve. The ASX 200 closed 0.6% lower yesterday, with all sectors posting a decline except health and utilities. The market has opened a little higher this morning.

In commodity markets, iron ore futures are now back above US\$100 a tonne. The gold price rose further on concerns over the Russian-Ukrainian conflict, but oil prices fell.

The UK CPI rose by 0.6% in October, while the annual rate of consumer price inflation rose 0.6ppts to 2.3%, which is slightly above the Bank of England's target of 2%. These figures were slightly higher than the 0.5% and 2.2% pencilled in by the market consensus, respectively. Core inflation also exceeded expectations accelerating 0.1ppts to 3.3% YoY, against the expectations of a slowdown to 3.1% YoY. Services price inflation unexpectedly picked up 0.1ppts to 5.0%.

In Australia, the Westpac leading index rose 0.18% in October, taking the six-month annualised growth rate back to positive level territory at 0.26% from -0.20% in September. This suggests that the pace of economic activity could be above trend within three to six months. Westpac notes that there are significant risks to this outlook, especially due to the impact of the recent US elections.

The Aussie employee earnings indicator, which is an experimental measure based on Single Touch Payroll data, saw total monthly wages and salaries paid by employers surge by an unadjusted 3.9% in September, to be up 6.3% through the year. The strong monthly increase was driven by periodic bonuses paid by many industries at the end of the quarter, but the size of these bonuses was somewhat lower than a year ago. The largest monthly increases were registered in information media and telecommunications, financial and insurance services, and mining.

### Economic Data Review

- **AU:** Westpac Leading Index (MoM, Oct) – Actual 0.18%, Previous 0.01% (revised).
- **AU:** Employee Earnings Indicator (MoM, Sep) – Actual 1.6%, Previous 3.9%.
- **UK:** CPI (MoM, Oct) – Actual 0.6%, Expected 0.5%, Previous 0.0%.

### Economic Data Preview

- **AU:** Public Appearance by RBA Governor Michele Bullock.
- **AU:** Judo Bank Composite PMI (Nov) – Previous 50.2 (tomorrow).
- **US:** Initial Jobless Claims (w/e 16 Nov) – Expected 220k, Previous 217k.