

Interest Rates (%)			FX			Commodities US\$		
Australia		Δ bp	AUD/USD	0.6574	0.1%	WTI Crude Oil	70.62	\$1.68
90-day Bill	4.41	-1	AUD/JPY	99.97	-0.7%	Brent Crude Oil	72.81	-\$0.10
3-year Bond	4.06	4	AUD/EUR	0.6041	-0.1%	Mogas95*	82.40	\$0.82
10-year Bond	4.55	4	AUD/GBP	0.5099	0.6%	CRB Index	279.86	-0.40
			AUD/NZD	1.1014	0.1%	Gold	2747.27	-\$39.00
			AUD/CNY	4.6801	-0.1%	Silver	32.68	-\$1.08
US			EUR/USD	1.0883	0.2%	Iron Ore (62% Fe)**	102.80	-\$0.90
2-year	4.17	0	USD/JPY	152.06	-0.8%	Iron Ore (24-25 Average)	101.09	\$0.02
10-year	4.29	0	USD/CNY	7.1180	0.0%	Copper	9506.00	-\$32.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.35		ASX200	8065	-93
			Interbank O/N Cash Rate	4.34		Dow Jones	41763	-378
Other 10-year			Probability of a 25bps Cut in Nov	2.4%		S&P500	5705	-108
Japan	0.97	1	RBA Bond Holdings (30 Sep)	A\$311.7b		Stoxx600	505	-6
Germany	2.39	0				CSI300	3891	2
UK	4.45	9						

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

**Iron ore is the second SGX futures contract.

Wall Street saw considerable declines last night, driven by disappointing earnings guidance from some tech companies, uncertainty ahead of the US election and concerns over the pace of monetary policy easing after a solid set of economic data. US Treasury yields initially climbed following the inflation data but fell back, while the US dollar depreciated.

The Australian dollar appreciated against the greenback and British pound, but is down versus the Japanese yen and euro. Commonwealth bond yields picked up further, with 10-year yields reaching the highest level since December 2023. The ASX 200 dropped by 0.3% yesterday, before opening lower this morning.

In commodity markets, oil prices were mixed, and iron ore futures ebbed 0.9%. The gold price eased from a record high. US PCE price index rose by 0.2% in September, while the annual rate of inflation declined to 2.1%, which was in line with expectations and very close to the Fed's goal of 2%. However, core PCE inflation unexpectedly remained at 2.7%, somewhat above the target. From elsewhere in the report, personal spending growth surprised to the upside, rising 0.5% in September (exp 0.4%), while August growth was revised up. Initial jobless claims declined further last week.

Euro area HICP inflation surprised to the upside in October, rising to 2%, while core inflation remained at 2.7%.

In the Asia-Pacific region, the Chinese NBS composite PMI rose 0.4pts to 50.8 in October (above 50 = expansion), with near-stagnant conditions both in manufacturing and non-manufacturing. The Bank of Japan left its policy rate unchanged at 0.25%, as expected, but Governor Kazuo Ueda hinted indirectly that rate hikes are likely in the coming months. This sent the Japanese yen sharply higher yesterday, though Japanese government bond yields were little changed.

In Australia, nominal retail trade growth slowed to 0.1% in September, but a solid 0.7% rise in August translated into a 0.5% bounce in retail sales volumes in Q3, despite a further 0.6% rise in retail prices. Export prices dropped by another 4.3% in Q3, dragged down by lower iron ore and coal prices, while lower petrol prices drove the import price index 1.4% lower. Private sector credit rose by 0.5% in September, with business credit again leading the increase.

Dwelling approvals picked up by 4.4% in September, with gains in both private sector house and multi-dwelling approvals, which was followed by slower growth in CoreLogic house prices in October (+0.2% versus +0.5% in the previous month). Home prices fell in both Sydney and Melbourne, while Perth again saw the largest increase of 1.4%.

Economic Data Review

- **AU:** Retail Trade (MoM, Sep) – Actual 0.1%, Expected 0.3%, Previous 0.7%.
- **AU:** Dwelling Approvals (MoM, Sep) – Actual 4.4%, Expected 2.1%, Previous -3.9% (revised).
- **CH:** NBS Composite PMI (Oct) – Actual 50.8, Previous 50.4.
- **US:** PCE Price Index (MoM, Sep) – Actual 0.2%, Expected 0.2%, Previous 0.1%.

Economic Data Preview

- **AU:** Housing Finance (MoM, Sep) – Expected 1.0%, Previous 1.0%.
- **AU:** Household Spending Indicator (MoM, Sep) – Previous 0.0%.
- **CH:** Caixin Manufacturing PMI (Oct) – Expected 49.7, Previous 49.3.
- **US:** ISM Manufacturing PMI (Oct) – Expected 47.6, Previous 47.8.
- **US:** Non-farm Payrolls (monthly change, Oct) – Expected 101k, Previous 254k.
- **US:** Unemployment Rate (Oct) – Expected 4.1%, Previous 4.1%.