



25 September 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

Australia's monthly CPI print exceeded consensus expectations, prompting a repricing of the anticipated RBA cash rate path higher. In New Zealand, Dr Anna Breman – currently First Deputy Governor of Sweden's central bank – was appointed as the new RBNZ Governor.

US Treasuries sold off across the curve, while Australian government bond yields jumped 7 basis points at the short end of the curve, as investors reassessed the likelihood of RBA monetary policy easing.

After two consecutive days in the red, the DXY index gained 0.6% rising to 97.9. The Australian dollar outperformed, falling only 0.2%.

Copper surged 3.6% on the LME to \$10,366, its highest level in over a year, after US mining company Freeport-McMoRan announced it could not meet its contractual copper deliveries due to a mudslide at its Grasberg mine in Indonesia.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	61.3	0.7%
AUD/USD	0.6584	-0.2%
AUD/JPY	98.01	0.6%
AUD/GBP	0.4897	0.3%
AUD/NZD	1.1290	0.5%
AUD/EUR	0.5609	0.4%
AUD/CNH	4.6992	0.1%
AUD/SGD	0.8485	0.2%
AUD/HKD	5.1216	-0.2%
AUD/CAD	0.9147	0.2%
EUR/USD	1.1739	-0.7%
USD/JPY	148.87	0.9%
USD Index	97.88	0.6%

Equities	Close	Change
S&P/ASX 200	8,764	-0.9%
S&P 500	6,638	-0.3%
Japan Nikkei	45,630	0.3%
Hang Seng	26,519	1.4%
Euro Stoxx 50	5,465	-0.1%
UK FTSE100	9,250	0.3%
VIX Index	16.18	-2.8%

Commodities	Current	Change
CRB Index	302.88	1.0%
Gold	3736.16	-0.7%
Copper	10336.50	3.6%
Oil (WTI futures)	64.81	2.2%
Coal (coking)	187.00	-0.7%
Coal (thermal)	106.45	-0.6%
Iron Ore	106.10	0.2%
ACCU	37.75	10.6%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	3.58	-0.02
90 day BBSY	3.60	-0.01
180 day BBSY	3.71	-0.01
1 year swap	3.45	0.10
2 year swap	3.43	0.11
3 year swap	3.47	0.10
4 year swap	3.56	0.08
5 year swap	3.65	0.08
6 year swap	3.75	0.08
7 year swap	3.85	0.08
8 year swap	3.94	0.07
9 year swap	4.02	0.07
10 year swap	4.26	0.08

Government Bond Yields	Close	Change
Australia		
3 year bond	3.51	0.07
10 year bond	4.29	0.02
United States		
3-month T Bill	3.86	0.01
2 year bond	3.60	0.02
10 year bond	4.15	0.04
Other (10 year yields)		
Germany	2.75	0.00
Japan	1.65	-0.01
UK	4.67	-0.01

Sydney Futures Exchange	Current	Change
10 yr bond	4.38	0.05
3 yr bond	3.57	0.03
3 mth bill rate	3.58	0.00
SPI 200	8,768	-0.5%

Data as at 7:00am AEST. Change is from the previous trading day (excluding the SFE, which is the change during the night session). Source: Bloomberg.



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Financial Markets:

With no clear catalysts for significant change, international financial markets traded cautiously. In contrast, there was more activity locally: Australia's monthly CPI print exceeded consensus expectations, prompting a repricing of the anticipated RBA cash rate path higher. In New Zealand, Dr Anna Breman – currently First Deputy Governor of Sweden's central bank – was appointed as the new RBNZ Governor.

- US equity benchmarks struggled to gain momentum, with the S&P 500 finishing the day 0.3% lower. After a 2.8% rise so far this month and 12.9% since the start of the year, investors appear concerned about stretched valuations given the uncertain US economic environment. Elsewhere, the Euro Stoxx 50 fell 0.1%, despite a rally in defence stocks following US President Trump's more optimistic comments about Ukraine's chances of winning the war. In Asia, the Hang Seng Index rose 1.4% after a subdued performance in recent days. Domestically, the ASX 200 declined by almost 1%.
- In bond markets, US Treasuries sold off across the curve, with losses concentrated at the long end. The 10-year yield rose 4 basis points, reversing an equivalent decline from the previous day. Bunds, Gilts and JGBs were little changed, with most tenors seeing yields move by less than 1 basis point. Australian government bond yields jumped 7 basis points at the short end of the curve, as investors reassessed the likelihood of RBA monetary policy easing. Current pricing now reflects less than one 25 basis point cash rate cut before year-end, down from more than a full cut expected a day earlier.
- In FX markets, after two consecutive days in the red, the DXY index gained 0.6% rising to 97.9. EUR depreciated by 0.7% following the German IFO survey, which signalled some loss of momentum at the end of Q3. GBP fell by 0.6%, while the yen weakened 0.9%. The Australian dollar outperformed, falling only 0.2%, supported by expectations of tighter monetary policy ahead.
- Crude rallied for a second consecutive day, buoyed by President Trump's shift in tone regarding the war in Ukraine and EIA reports indicating US inventories declined more than anticipated last week. The WTI crude was up 2.2% to \$64.80. Copper surged 3.6% on the LME to \$10,366, its highest level in over a year, after US mining company Freeport-McMoRan announced it could not meet its contractual copper deliveries due to a mudslide at its Grasberg mine in Indonesia.

International Data:

Germany's IFO Business Climate index edged lower in September to 87.7, still about 1 point higher than the average for the first eight months of the year. Expectations of the economic outlook ahead were the main contributor, falling from

Today's key data and events

Time	Event	Exp	Prev
11:30am	AU Job Vacancies Qtr	-	2.9%
10:30pm	US Wholesale Inventories Aug Prel.	0.1%	0.1%
10:30pm	US GDP Q2 T	3.3%	3.3%
10:30pm	US Durable Goods Orders Aug Prel.	-0.3%	-2.8%
10:30pm	US Initial Jobless Claims	233k	231k
12:00am	US Existing Home Sales Aug	-1.2%	2.0%

Times are AEST. All data forecasts are m/m or q/q and seasonally adjusted unless otherwise specified. Forecasts for Australian data are our forecasts and for other countries they are consensus forecasts.

91.4 to 89.7, while the assessment of current also slipped from 86.4 to 85.7.

US new home sales jumped 20.5% month-on-month in August, following a 1.8% decline in July. This rebound takes sales back to levels last seen at the end of 2021. Incentives for buyers and lower mortgage rates supported the increase, though the index is subject to considerable monthly volatility and revision.

Local Data:

In Australia, the **monthly CPI Indicator** gained 3.0% in the year to August, splitting Westpac's estimate of 3.1%yr and the market's median estimate of 2.9%yr ([see here](#)).

Dr Anna Breman was announced as **New Zealand's new central bank Governor** ([see here](#)).

The **Westpac-McDermott Miller Employment Confidence Index** rose by 1.1 points to 89.9 in the September quarter. Despite that rise, confidence about the state of New Zealand's labour market remains low ([see here](#)).



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