



24 October 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

Confirmation of a meeting between President Trump and President Xi next week restored some confidence in markets, seeing global equities rally and bonds sell-off, with the US leading the charge on both of those fronts.

The DXY held broadly steady, but performances varied across key crosses, with the Aussie dollar continuing to trade around the USD0.65 mark.

China's new 5-year plan to 2030 pointed to authorities remaining focused on technological development and the scaling up of related industry. There is also a focus on improving consumer and domestic demand.

Crude prices continue to rally in response to yesterday's announcement of US sanction on Russia. Gold ticked higher but continues to trade within a tight range following Tuesday's sell-off.

Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	Last	Change
TWI	60.6	-0.2%	30 day BBSY	3.52	0.01
AUD/USD	0.6511	0.4%	90 day BBSY	3.55	0.01
AUD/JPY	99.35	0.8%	180 day BBSY	3.71	0.01
AUD/GBP	0.4888	0.6%	1 year swap	3.36	0.03
AUD/NZD	1.1321	0.1%	2 year swap	3.35	0.03
AUD/EUR	0.5606	0.3%	3 year swap	3.40	0.04
AUD/CNH	4.6392	0.3%	4 year swap	3.48	0.03
AUD/SGD	0.8456	0.4%	5 year swap	3.57	0.03
AUD/HKD	5.0605	0.4%	6 year swap	3.67	0.04
AUD/CAD	0.9107	0.3%	7 year swap	3.77	0.04
EUR/USD	1.1615	0.0%	8 year swap	3.86	0.04
USD/JPY	152.59	0.4%	9 year swap	3.94	0.04
USD Index	98.93	0.0%	10 year swap	4.18	0.05

Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	9,033	0.0%	Australia		
S&P 500	6,741	0.6%	3 year bond	3.36	0.01
Japan Nikkei	48,642	-1.4%	10 year bond	4.12	0.01
Hang Seng	25,968	0.7%	United States		
Euro Stoxx 50	5,668	0.5%	3-month T Bill	3.79	0.00
UK FTSE100	9,579	0.7%	2 year bond	3.49	0.05
VIX Index	17.28	-7.1%	10 year bond	4.00	0.05

Commodities	Current	Change	Other (10 year yields)		
CRB Index	305.02	2.4%	Germany	2.58	0.02
Gold	4114.95	0.4%	Japan	1.67	0.02
Copper	10854	1.8%	UK	4.42	0.01

			Sydney Futures Exchange	Current	Change
Oil (WTI futures)	61.57	5.2%	10 yr bond	4.18	0.04
Coal (coking)	197.67	1.6%	3 yr bond	3.41	0.05
Coal (thermal)	109.55	1.2%	3 mth bill rate	3.40	0.00
Iron Ore	104.45	0.5%	SPI 200	9,053	0.1%
ACCU	37.75	10.6%			

Data as at 7:05am 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:

- Global equities broadly edged higher on Thursday, led by gains in the US after confirmation of a meeting between President Trump and President Xi hit the wires. The S&P 500 (+0.7%) and NASDAQ (+0.9%) effectively recovered from Wednesday's losses. There were also solid gains in the Euro Stoxx 50 (+0.5%) and London's FTSE 100 (+0.7%), as markets reacted to the fresh set of sanctions from President Trump on Russia.
- Tokyo bucked the wider trend across global share markets, with the Nikkei shedding -1.4% as participants booked profits following the rally in the run-up to the election of Prime Minister Takaichi. The ASX 200 meanwhile held flat, but futures markets are pointing to a positive open this morning.
- Bonds sold off globally, pushing yields higher. Treasury yields rose fairly evenly across the curve, with the 2-year lifting 4bps while the 10-year and 30-year rose 5bps. Moves in Europe were more modest, with the 10-year Bund up 2bps while the 10-year Gilt inched 1bp higher. Aussie government (futures) yields took the cue from the US, with the 3-year and 10-year both up 4bps overnight.
- Market pricing for the FOMC is little changed, with next week's rate cut still fully priced in and a further three rate cuts anticipated over 2026. Markets will be closely watching the September CPI data, due tonight, being the first piece of government data since the shutdown. A November RBA rate cut is now seen as closer to a 50/50 proposition in the lead-up to next week's critical Q3 CPI data.
- The DXY finished the session little changed after initially trading up as high as 99.1 before losing momentum and finishing back under the 99.0 mark, currently 98.93 at the time of writing. Moves were varied across the key crosses though, with the Japanese Yen appreciating notably against the greenback (+0.4%), while the Euro held steady and the Sterling lost ground (-0.3%).
- The Aussie dollar strengthened 0.4% during the latest session but overall, remains within a tight range of USD0.6480 to USD0.6520. The lack of local data has put more of the onus on the USD leg, with geopolitical developments set to drive moves in the interim until next week's inflation data.
- Crude prices continue to rally following the US' sanctions on Russian oil, with the first-generic futures contract for WTI lifting 5.2% to US\$61.57/bbl. Gold continues to trade in a tight range following Tuesday's sell-off, rising 0.4% to around US\$4115/oz. Copper also continued to trade comfortably above the US\$10,600/mt mark, rising 1.8% last session, while iron ore prices edged up 0.5%.

Today's key data and events

Time	Event	Exp	Prev
10:01am	GB Gfk Consumer Sentiment Oct	-20pts	-19pts
10:30am	JP CPI Sep	2.9%	2.7%
11:05am	AU RBA's Bullock-Remarks	-	-
11:30am	JP S&P Global Mfg PMI Oct Prel.	-	48.5pts
11:30am	JP S&P Global Services PMI Oct Prel.	-	53.3pts
5:00pm	GB Retail Sales Sep	-0.4%	0.5%
7:00pm	EZ HCOB Manufacturing PMI Oct Prel.	49.8pts	49.8pts
7:00pm	EZ HCOB Services PMI Oct Prel.	51.2pts	51.3pts
7:30pm	GB S&P Services PMI Oct Prel.	51pts	50.8pts
7:30pm	GB S&P Manufacturing PMI Oct Prel.	46.6pts	46.2pts
11:30pm	US CPI Sep	0.4%	0.4%
12:45am	US S&P Manufacturing PMI Oct Prel.	51.9pts	52pts
12:45am	US S&P Services PMI Oct Prel.	53.5pts	54.2pts
1:00am	US New Home Sales Sep	-11.5%	20.5%
1:00am	US Uni. Of Michigan Sentiment Oct Final	54.6pts	55pts

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.

International Data:

Initial headlines on **China's new 5-year plan to 2030** point to authorities remaining focused on technological development and the scaling up of related industry. There is also a focus on the consumer and domestic demand highlighted by "increase[d] efforts to guarantee and improve people's livelihood[s]" and an ambition to "improve the social security system". The call to "promote the high-quality development of the real estate sector" arguably highlights that households not only need more quality housing and community infrastructure to build lives in, but also the ability to accrue wealth sustainably throughout their lifetime.

In the US, **existing home sales** ticked 1.5% higher in September, spot on with expectations. Turnover remains 28% below the 2020 peak however, highlighting the impact of elevated rates and prices on homebuyer sentiment. Meanwhile, the **Kansas City Fed index** rose from +4 to +6 in October, beating expectations for a modest pull-back. Conditions vary widely across the regions, with this survey focussed on the Midwest is on the more positive side.

In the Eurozone, the European Commission's **consumer confidence** index improved in September, from -14.9 to -14.2. Although slightly above the average over the past five years, the general mood of uncertainty is hard for consumers to shake.

Local Data:

There was no major economic data released recently in Australia or New Zealand.



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