



10 November 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

There was a slight risk on tone to end the week with US equities, outside of tech, ticking higher, government bonds selling off seeing yields increase, while the USD edged 0.1% lower during a volatile session.

US equities retraced early losses as reports emerged negotiations to end the US government shutdown were constructive, with parliamentarians working on a deal to temporarily reopen the government and introduce longer-term bills for some agencies.

The Aussie ended the week a touch under 0.6500, giving up all the gains recorded after the RBA's November Board meeting. Traders are on the fence on whether there will be another rate cut this cycle, pricing in around 15bps of cuts by the end of 2026. The RBA Deputy Governor is due to talk this morning on the Outlook for the Australian Economy.

Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	Last	Change
TWI	60.7	-0.7%	30 day BBSY	3.60	0.00
AUD/USD	0.6493	0.2%	90 day BBSY	3.69	-0.01
AUD/JPY	99.63	0.5%	180 day BBSY	3.91	-0.01
AUD/GBP	0.4934	0.0%	1 year swap	3.54	0.00
AUD/NZD	1.1540	0.3%	2 year swap	3.54	0.00
AUD/EUR	0.5615	0.1%	3 year swap	3.60	0.01
AUD/CNH	4.6272	0.3%	4 year swap	3.67	0.01
AUD/SGD	0.8451	0.0%	5 year swap	3.75	0.01
AUD/HKD	5.0503	0.2%	6 year swap	3.84	0.01
AUD/CAD	0.9117	-0.3%	7 year swap	3.93	0.01
EUR/USD	1.1566	0.2%	8 year swap	4.02	0.01
USD/JPY	153.42	0.2%	9 year swap	4.09	0.01
USD Index	99.60	-0.1%	10 year swap	4.33	0.00

Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	8,770	-0.7%	Australia		
S&P 500	6,729	0.1%	3 year bond	3.64	-0.02
Japan Nikkei	50,276	-1.2%	10 year bond	4.35	-0.01
Hang Seng	26,242	-0.9%	United States		
Euro Stoxx 50	5,567	-0.8%	3-month T Bill	3.76	-0.01
UK FTSE100	9,683	-0.5%	2 year bond	3.56	0.01
VIX Index	19.08	-2.2%	10 year bond	4.10	0.01

Commodities	Current	Change	Other (10 year yields)		
CRB Index	300.91	0.0%	Germany	2.67	0.02
Gold	4001.26	0.6%	Japan	1.68	0.00
Copper	10716.00	0.3%	UK	4.47	0.03

			Sydney Futures Exchange	Current	Change
Oil (WTI futures)	59.75	0.5%	10 yr bond	4.35	-0.02
Coal (coking)	201.00	-0.5%	3 yr bond	3.65	0.00
Coal (thermal)	114.10	-0.6%	3 mth bill rate	3.63	0.00
Iron Ore	101.40	0.1%	SPI 200	8,794	0.3%
ACCU	37.75	10.6%			

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



Pat Bustamante
Senior Economist, Westpac Group
P: +61 468 571 786
E: pat.bustamante@westpac.com.au

Financial Markets:

- US equities ended Friday's session mixed as reports of talks in the US Senate to end the shutdown supported sentiment but was offset by concerns around falling US consumer confidence. Reuters is reporting US parliamentarians are working on a deal to temporarily reopen the government and introduce longer-term funding bills for some agencies. Tech stocks pulled back from recent highs as investors looked more closely at valuations in the sector, with Block Inc, Microchip Technology Inc and Take-Two Interactive Software Inc among some of the worse performers. The S&P 500 closed 0.1% higher but ended the week 1.6% lower – the first weekly fall in four weeks. The Dow Jones Industrial Average also eked out a 0.2% gain on Friday but ended the week 1.2% lower. The tech heavy Nasdaq underperformed, down 0.2% on Friday to end the week 3.0% lower.
- European markets closed firmly in the red with the selloff in tech stocks also impacting euro markets and as earning reports, including from British Airways parent IAG, underwhelmed. The Euro Stoxx 50 declined 0.8% to finish in the red (-1.7%) for the second consecutive week. The German DAX closed 0.7% lower, while the FTSE 100 in London closed 0.7% lower as Rightmove declined more than 10% after announcing plans to boost investment in AI. Asian markets were lower with the Nikkei closing 1.2% lower, the CSI 300 down 0.3% and the Hang Seng almost 1.0% lower. In the local market, the ASX 200 closed 0.7% in the red to fall by 1.3% in weekly terms. Futures are pointing to a positive start to today's session.
- There was a slight selloff in US Treasuries which saw yields tick higher but remain within recent ranges. The 2-year bond yield increased 1bp to 3.56%. The 10-year bond yield also increased 1bp to 4.10%. Interest-rate futures are pricing in around 80bps of cuts to the end of 2026, with the first full rate cut expected by January 2026 and only around 60% chance of a cut in December. Yields were slightly higher across Europe with 10-year bond yields up 3bps in the UK and 2bps in Germany to 4.46% and 2.66%, respectively.
- Yields in the local market were mixed on futures with the 3-year bond yield futures unchanged at 3.65%, while the 10-year bond yield futures declined 2bps to 4.35%. Traders are torn on whether the RBA will cut again this cycle, pricing in around 15bps of cuts through to the end of 2026.
- The US dollar index edged 0.1% lower to 99.60, retracing most of the losses recorded early in the session amid growing hopes of an end to the US government shutdown. The DXY reached a low of 99.398 before retracing the fall in the back half of the session. This saw the euro gain 0.2% to 1.1566 while the Yen also gained 0.2% to be at 153.42.

Today's key data and events

Time	Event	Exp	Prev
10:30am	RBA Deputy Governor Hauser Speech: "On the Rails or Off to the Races? The Outlook for the Australian Economy"		
8:30pm	EZ Sentix Investor Confidence Nov		-5.4pts

Times are AEDT. 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.

- The Aussie gained 0.2% to 0.6493 against the Greenback in a volatile session which saw the AUD/USD flip between gains and losses. The Aussie tested the 0.6500 mark before easing to end just under 0.6500. The Deputy RBA Governor is scheduled to speak this morning on the outlook for the Australian economy. Messaging around the future path of rates could drive some of the price action in the near term.
- Commodities were broadly unchanged. Gold edged 0.6% higher to be around US\$4,000 an ounce. Copper edged 0.3% higher to US\$10,716 a tonne as traders respond to a pledge by President Trump to revisit plans for tariffs on copper next year. Aluminium traded near a three-year high as investors assessed the impact of the Chinese Government's cap on output. Crude markets lifted 0.5% with the West Texas Intermediate trading at US\$59.75/bbl. Iron ore edged 0.1% higher to US\$101.40 a tonne.

International Data:

The **US Fed Vice Chair, Philip Jefferson**, said rates continue to have a "somewhat restrictive" effect on the economy, but "it makes sense to proceed slowly as we approach the neutral rate." He said last week's cut "was appropriate because I see the balance of risks as having shifted in recent months as downside risks to employment have increased".

The **University of Michigan's preliminary consumer sentiment** index dropped to 50.3pts in November from 53.6pts in October – the second-lowest on record amid growing concerns around the impact of the US government shutdown. This was softer than the 53.0pts expected by the market. The survey showed inflation expectations one-year ahead edged up to 4.7% from 4.6%, while the five-year economic outlook dipped to 3.6% from 3.9% last month.

China recorded a US\$90bn trade surplus in October, which was lower than the US\$96bn trade surplus recorded in October 2024. It was the smallest trade surplus since February 2025, as exports unexpectedly fell 1.1%yr as orders pulled back following a bring to beat the imposition of US tariffs. China's trade surplus with the US increased to US\$25bn in October from US\$23bn in September.

Local Data:

There was no top tier data released last Friday.



Corporate Directory

Westpac Economics / Australia

Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis

Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan

Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke

Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner

Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk

Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante

Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas

Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells

Economist
E: ryan.wells@westpac.com.au

Illiana Jain

Economist
E: illiana.jain@westpac.com.au

Neha Sharma

Economist
E: neha.sharma1@westpac.com.au

Westpac Economics / New Zealand

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold

Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon

Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs

Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod

Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark

Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva

1 Thomson Street
Suva, Fiji

Shamal Chand

Senior Economist
E: shamal.chand@westpac.com.au



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