13 November 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

Prospects for an imminent end to the US government shutdown continues to buoy sentiment in equity markets, although a sell-off in tech stocks acted as an offset for the S&P 500 and NASDAQ.

Lingering concerns over a faltering US labour market continue to have a hand in driving market expectations for the fed funds rate outlook, seeing treasury yields fall as a result. Moves in rates markets elsewhere were far more modest.

The USD lifted slightly overnight, although performances were mixed across the key DXY pairs, with a weaker Yen and Sterling the main driver of DXY gains.

Crude prices fell significantly after revisions to OPEC estimates of production and demand brought concerns over a looming global supply glut to the fore.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	61.2	0.0%
AUD/USD	0.6542	0.2%
AUD/JPY	101.24	0.6%
AUD/GBP	0.4984	0.4%
AUD/NZD	1.1550	0.1%
AUD/EUR	0.5646	0.2%
AUD/CNH	4.6531	0.1%
AUD/SGD	0.8519	0.3%
AUD/HKD	5.0849	0.2%
AUD/CAD	0.9159	0.1%
EUR/USD	1.1587	0.0%
USD/JPY	154.74	0.4%
USD Index	99.49	0.1%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	3.60	0.00
90 day BBSY	3.68	-0.01
180 day BBSY	3.93	0.02
1 year swap	3.59	0.01
2 year swap	3.61	0.01
3 year swap	3.68	0.03
4 year swap	3.74	0.02
5 year swap	3.82	0.02
6 year swap	3.91	0.02
7 year swap	4.00	0.02
8 year swap	4.09	0.02
9 year swap	4.16	0.02
10 year swap	4.42	0.04

Equities	Close	Change
S&P/ASX 200	8,800	-0.2%
S&P 500	6,848	0.0%
Japan Nikkei	51,063	0.4%
Hang Seng	26,923	0.8%
Euro Stoxx 50	5,787	1.1%
UK FTSE100	9,911	0.1%
VIX Index	17.57	1.7%

Commodities	Current	Change
CRB Index	302.66	-1.4%
Gold	4193.30	1.6%
Copper	10944	1.1%
Oil (WTI futures)	58.45	-4.2%
Coal (coking)	199.75	-0.1%
Coal (thermal)	113.10	0.0%
Iron Ore	102.00	1.2%
ACCU	37.75	10.6%

Government Bond Yields	Close	Change
Australia		
3 year bond	3.70	0.00
10 year bond	4.38	-0.01
United States		
3-month T Bill	3.78	0.03
2 year bond	3.57	-0.02
10 year bond	4.07	-0.04
Other (10 year yields)		
Germany	2.64	-0.02
Japan	1.69	0.00
UK	4.40	0.01

Sydney Futures Exchange	Current	Change
10 yr bond	4.39	0.00
3 yr bond	3.72	0.00
3 mth bill rate	3.63	0.00
SPI 200	8,838	0.2%

Data as at 7:35am AEDT. 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:

- Sentiment remains positive as prospects for an imminent end to the government shutdown strengthens. The Dow Jones posted its fourth consecutive lift (+0.8%) although a sell-off in tech stocks saw the S&P 500 hold broadly flat and the NASDAQ fall (–0.3%). Momentum was more positive across the board in Europe, with solid gains in the Euro Stoxx 50 (+1.1%) and Germany's DAX (+1.2%), though London's FTSE 100 only eked out a small gain (+0.1%). Although most key indices across Asia also finished in the green, including in Tokyo (+0.4%) and Hong Kong (+0.8%), although the ASX 200 slipped further (–0.2%). Futures markets are pointing to a more positive open this morning, though.
- Treasuries rallied overnight as lingering concerns over a faltering labour market saw pricing for rate cuts strengthen over recent sessions. The 2Y and 10Y fell 2bps and 4bps to 3.57% and 4.07% respectively. A December FOMC rate cut is viewed as occurring with 64% probability by futures markets, with a cumulative 3 rate cuts priced in through to end-2026.
- Moves in yields were far more modest across other major economies, with the 10Y Bund down 1bp and the 10Y Gilt up 1bp. Bond yields finished little-changed from yesterday in Australia's local session, and futures yields were unchanged overnight.
- The USD finished higher overnight, although the DXY did trade up as high as 99.7 intraday, ultimately finishing 0.1% higher at 99.49. Moves were mixed but modest across the main DXY pairs -- the Euro (+0.1%) and Canadian Loonie (+0.1%) ended up appreciating versus the greenback, although a weakening in the Japanese Yen (–0.4%), and to a lesser extent the Sterling (–0.2%) was the main driver of the DXY lift overnight.
- The Aussie dollar finished around 0.2% higher against the greenback at the time of writing, currently trading around USD0.6540. Today's labour market data will be the imminent test for the pair in the coming session – although the data is volatile on a monthly basis, a surprise to either side of consensus, which is currently for a rounding down of the unemployment rate from 4.5% to 4.4%, could spark a clearer move in RBA pricing which would have implications for the cross. However, the sustainability of such moves, on the basis of its implications for the RBA, will be a key question given the RBA's clear focus on inflation.
- Concerns over a global supply glut remain a dominant theme in crude markets, with OPEC revising its estimates for production and demand. The first-generic WTI futures contract fell –4.2% to US$58.45, erasing the previous three days of gains. Against the backdrop of emerging market conviction for FOMC rate cuts, gold and copper prices lifted 1.6% and 1.1% to US$4193/oz and US$10,944/mt respectively. Iron ore also lifted 1.2%.

Today's key data and events

Time	Event	Exp	Prev
8:45am	NZ Card Spending Oct	-	-0.4%
8:45am	NZ Net Migration Sep	-	460k
11:30am	AU Employment Oct	15k	14.9k
11:30am	AU Unemployment Rate Oct	4.4%	4.5%
6:00pm	GB GDP Q3 Prel.	0.2%	0.3%
9:00pm	EZ Industrial Production Sep	0.8%	-1.2%

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.

International Data:

In the US, **Atlanta Fed President Raphael Bostic** announced that he will retire at the end of his current term in February. His remarks on policy overnight continued to show greater immediate concern over inflation than the labour market. **Governor Waller** and **Phily Fed President Paulson** meanwhile spoke on fintech and payments while **NY Fed President Williams** focused on Treasury market function and monetary policy implementation. At these events, however, there will little new information revealed as far as the near-term outlook for monetary policy is concerned.

Local Data:

In Australia, **Q3 Dwelling Finance Approvals** surprised to the upside, with the total value of approvals surging 9.6%, driven by investors (+17.6%) though owner-occupiers were also firm (see here).

In New Zealand, the **Cotality-Westpac First Home Buyer Report** detailed the impact of large falls in mortgage interest rates on home buying activity amongst the FHBs (see here).

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