19 November 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

Preliminary ADP employment data indicated that US companies started to reduce headcount in the second half of October. September's payrolls figures, due later this week, will set the tone for evaluating the health of the labour market leading into the government shutdown.

Global share markets continued to trade lower, with selling pressure remaining broad-based across sectors. The ASX 200 had its worst day since the 'Liberation Day' sell-off, and futures markets are pointing to a mixed open this morning.

Treasuries rallied and the DXY held broadly steady. Moves were mixed across key pairs, with a weaker Euro and Yen being offset by an appreciation of the Canadian Loonie as the Carney government secured enough votes to pass its budget.

Crude prices finished higher in the run-up to fresh US sanctions being imposed on Russian crude. Copper fell, while gold lifted.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	60.8	-0.5%
AUD/USD	0.6512	0.3%
AUD/JPY	101.29	0.5%
AUD/GBP	0.4952	0.3%
AUD/NZD	1.1499	0.2%
AUD/EUR	0.5624	0.4%
AUD/CNH	4.6298	0.3%
AUD/SGD	0.8477	0.2%
AUD/HKD	5.0698	0.4%
AUD/CAD	0.9106	-0.2%
EUR/USD	1.1583	-0.1%
USD/JPY	155.53	0.2%
USD Index	99.56	0.0%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	3.60	0.00
90 day BBSY	3.70	0.00
180 day BBSY	3.93	-0.02
1 year swap	3.61	-0.02
2 year swap	3.64	-0.04
3 year swap	3.73	-0.04
4 year swap	3.80	-0.05
5 year swap	3.90	-0.04
6 year swap	3.99	-0.04
7 year swap	4.08	-0.04
8 year swap	4.17	-0.04
9 year swap	4.25	-0.03
10 year swap	4.51	-0.02

Equities	Close	Change
S&P/ASX 200	8,469	-1.9%
S&P 500	6,649	-0.3%
Japan Nikkei	48,703	-3.2%
Hang Seng	25,930	-1.7%
Euro Stoxx 50	5,535	-1.9%
UK FTSE100	9,552	-1.3%
VIX Index	23.55	5.2%

Commodities	Current	Change
CRB Index	303.36	0.6%
Gold	4071.75	0.7%
Copper	10720	-0.5%
Oil (WTI futures)	60.88	1.6%
Coal (coking)	199.00	-0.1%
Coal (thermal)	118.10	0.6%
Iron Ore	104.00	0.0%
ACCU	37.75	10.6%

Government Bond Yields	Close	Change
Australia		
3 year bond	3.74	-0.04
10 year bond	4.44	-0.04
United States		
3-month T Bill	3.76	-0.02
2 year bond	3.58	-0.03
10 year bond	4.12	-0.02
Other (10 year yields)		
Germany	2.71	-0.01
Japan	1.75	0.01
UK	4.55	0.02

Sydney Futures Exchange	Current	Change
10 yr bond	4.46	0.00
3 yr bond	3.77	0.00
3 mth bill rate	3.64	0.00
SPI 200	8,506	0.0%

Data as at 7:30am 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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Today's key data and events

Time	Event	Exp	Prev
8:45am	NZ PPI Q3	-	0.6%
10:30am	AU Westpac-MI Leading Index Oct	-	0.04%
10:50am	JP Machinery Orders Sep	2.0%	-0.9%
11:30am	AU Wage Price Index Q3	0.8%	0.8%
11:30am	AU Wage Price Index Q3	3.4%	3.4%
6:00pm	GB CPI Oct	0.4%	0.0%

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.

Financial Markets:

- Global share markets continue to trade lower in the run-up to Nvidia's all-important earnings results, due tomorrow morning Sydney time. Selling pressure remained broadly based but was more modest in the US, with the S&P 500 falling –0.3%. Europe was hit harder, with the Euro Stoxx 50 (–1.9%), Germany's DAX (–1.7%) and London's FTSE 100 (–1.3%) all moving lower.
- Yesterday's Asia session also saw a broad-based sell-off in equities as all of the key indices recorded declines, including the Hang Seng (–1.7%), the CSI 300 (–0.6%), the Nikkei 225 (–3.2%) and the ASX 200 (–1.9%), the latter two of which had its worst day since the 'Liberation Day' sell-off in early April. Futures markets are not pointing convincingly in either direction for this morning's open.
- Treasury yields slid against the broader risk-off backdrop, punctuated with weaker labour market data that still leaves traders torn on the likely near-term path for Fed policy. The 2Y and 10Y yields fell –3bps and –2bps to 3.58% and 4.12% respectively, still well within recent ranges. Swaps markets continue to suggest that a December rate cut from the FOMC broadly remains a 50/50 proposition, with a bit over 3 rate cuts pencilled in by end-2026.
- Moves in yields were modest and mixed elsewhere, with the 10Y Bund falling 1bp, the 10Y Gilt lifting 2bps, while the 10Y Japanese yield rose 1bp. Aussie government (futures) yields finished unchanged, with the 3Y and 10Y holding at 3.77% and 4.46% respectively. Swaps markets continue to indicate lack of appetite for an RBA rate cut next year.
- The USD held broadly steady, with the DXY trading tight range between 99.40 and 99.65 but ultimately finishing at 99.56 at the time of writing. Moves across the DXY pairs were mixed -- modest falls in the Euro (–0.1%) and Japanese Yen (–0.2%) were offset by an appreciation of the Canadian Loonie (+0.5%), with the Carney government securing enough votes to pass its budget providing a tailwind.
- The Aussie dollar also strengthened against the greenback, lifting 0.3% to USD0.6512. Today's data on wages growth is unlikely to throw up any major surprises given the smooth nature of the series, but if it were to print materially outside of the range of estimates on either side, it could spark another repricing of RBA rate cuts which would have implications on the Aussie dollar move.
- Crude prices finished higher in the run-up to fresh US sanctions being imposed on Russian crude, with the first-generic WTI futures contract lifting 1.6% to US$60.88/bbl. Copper prices continued to slide against the broader risk-off mood, with the three-month rolling forward LME contract slipping –0.5% to US$10,720/mt. This backdrop supported a modest lift in gold, up 0.7% to around US$4,070/oz. Iron ore meanwhile held flat.

International Data:

In the US, the Census Bureau is starting to release data previously delayed by the government shutdown. This includes August's **factory orders**, which rose 1.4% and effectively offset July's decline of 1.3%. The final estimate of August's **durable goods orders** was unchanged from its preliminary estimate, rising 2.9%. Excluding the large swings in transport equipment, orders were up for a fifth consecutive month.

We also received an estimate on **initial jobless claims** for the week ending October 18, which printed 232k. While higher than the 219k last published for September 19, the latest result is still slightly below the four-week average that prevailed just prior to the shutdown. Preliminary estimates of **ADP employment**, based on weekly data, suggests that US companies started to reduce headcount in the second half of October. The complete monthly update will be needed to confirm, but all eyes remain on the September payrolls data later this week.

On housing, the **NAHB housing market index** continued to suggest that the recovery in homebuilder confidence is hard-fought, rising just 1pt to +38, still well below the long-run average of +50. While builders noted higher sales and more interest from prospective buyers compared to prior, though expectations on sales over the next six months declined.

Richmond Fed President Tom Barkin noted that, according to the Fed's intelligence, labour market conditions may be weaker than publicly available indicators suggest. Meanwhile, the Fed's contacts reported that inflation remains somewhat elevated but is unlikely to increase significantly.

Local Data:

The **RBA's November Meeting Minutes** largely reiterated earlier messaging, reflecting a cautious and data-dependent tone. Deliberations continued to highlight two-sided risks to the base case, but perhaps with a bit more weight on the possibility that the labour market weakens more than expected.

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