20 November 2025

MORNING REPORT

Today's economic developments and market movements.

Key themes

The US BLS announced that October's employment figures would not be released ahead of the December Fed meeting, prompting a sell-off in treasuries and a paring back of near-term rate cut expectations.

This was despite the FOMC's October Minutes showcasing a divide in opinions over the neutral rate and the best course of policy action in December.

The USD rallied after the announcement as well, seeing most key crosses return back to early November levels, while the Japanese Yen has weakened back to levels seen in February.

Equities remained on shaky footing in anticipation of Nvidia's earnings results, due later this morning after US market close. This will likely set the tone for Asian market open this morning.

Stronger-than-expected inventories data tempered near-term concerns over tighter US fuel supply, driving a pull-back in crude prices.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	60.8	0.0%
AUD/USD	0.6464	-0.7%
AUD/JPY	101.51	0.3%
AUD/GBP	0.4955	0.1%
AUD/NZD	1.1557	0.5%
AUD/EUR	0.5610	-0.2%
AUD/CNH	4.6011	-0.6%
AUD/SGD	0.8451	-0.3%
AUD/HKD	5.0352	-0.6%
AUD/CAD	0.9086	-0.2%
EUR/USD	1.1521	-0.5%
USD/JPY	157.03	1.0%
USD Index	100.22	0.7%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	3.60	0.01
90 day BBSY	3.70	-0.01
180 day BBSY	3.93	0.00
1 year swap	3.61	0.01
2 year swap	3.65	0.01
3 year swap	3.74	0.02
4 year swap	3.80	0.00
5 year swap	3.90	0.00
6 year swap	3.99	0.00
7 year swap	4.08	0.00
8 year swap	4.17	0.00
9 year swap	4.25	0.00
10 year swap	4.52	0.02

Equities	Close	Change
S&P/ASX 200	8,448	-0.3%
S&P 500	6,614	0.0%
Japan Nikkei	48,538	-0.3%
Hang Seng	25,831	-0.4%
Euro Stoxx 50	5,542	0.1%
UK FTSE100	9,507	-0.5%
VIX Index	24.19	-2.0%

Commodities	Current	Change
CRB Index	303.36	0.6%
Gold	4073.59	0.2%
Copper	10752	0.3%
Oil (WTI futures)	59.43	-2.2%
Coal (coking)	197.75	-0.6%
Coal (thermal)	113.40	-1.6%
Iron Ore	104.35	0.0%
ACCU	37.75	10.6%

Government Bond Yields	Close	Change
Australia		
3 year bond	3.72	-0.02
10 year bond	4.42	-0.02
United States		
3-month T Bill	3.78	0.02
2 year bond	3.60	0.02
10 year bond	4.13	0.02
Other (10 year yields)		
Germany	2.71	0.00
Japan	1.77	0.03
UK	4.60	0.05

Sydney Futures Exchange	Current	Change
10 yr bond	4.47	0.03
3 yr bond	3.78	0.03
3 mth bill rate	3.65	0.01
SPI 200	8,485	0.3%

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.

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Financial Markets:

- After four consecutive days of sliding, US stocks remained on shaky footing in anticipation of Nvidia's all-important earnings results, due after US market close. The S&P 500 held flat but the NASDAQ edged 0.4% higher, although equities were more mixed across Europe, with the Euro Stoxx 50 up 0.1% while London's FTSE 100 fell –0.5%.
- Nvidia's earnings results will likely set the tone for Asian market open this morning. This will come against the backdrop of continued declines across much of the key indices, including the Nikkei 225 (–0.3%), the Hang Seng (–0.4%) and the ASX 200 (–0.3%). At the time of writing, futures markets are pointing to a positive open.
- The US Bureau of Labor Statistics announced that October's employment figures will not be published, with the data set to be incorporated into a report following the Fed's December meeting, leaving the FOMC without a key piece of data. This sparked a sell-off in treasuries, with the 2Y and 10Y up 2bps each to 3.60% and 4.13% respectively.
- Markets also pared back expectations for an FOMC December rate cut, with futures trading suggesting it is now a 30% chance versus 50/50 prior. This is despite the FOMC's October Minutes, also released overnight, showcasing the divide in the Committee over the best course of action in December.
- Yields bounced higher in Japan and the UK, with the 10Y JGB up 3bps and 10Y Gilt up 5bps. Australian government (futures) yields also edged higher, with the 3Y and 10Y up 3bps each to 3.78% and 4.47% respectively.
- The USD rallied upon the shift in rate cut expectations, seeing the DXY jump back above the 100 mark to trade at 100.22 at the time of writing. Moves across the DXY pairs were decidedly one-way, with the Sterling (–0.8%), Euro (–0.5%) and Loonie (–0.5%) all moving back to early November levels. The Japanese Yen posted the largest slide (–1.0%), and at around JPY157, it is trading back around February levels.
- The Aussie dollar shed around –0.7% against the greenback and at USD0.6464, it is trading back around the lower end of recent ranges. Looking forward, the USD leg will likely be the driver of moves as we receive September's payrolls data overnight, which will indicate how the US labour market was faring prior to the government shutdown.
- Crude prices pulled back materially following stronger-than-expected inventories data, tempering near-term concerns over tighter US supply, seeing the first-generic WTI futures contract fall –2.2% to US$59.43/bbl. Moves across other key commodities were mixed and modest, with copper prices up 0.3% to US$10,752/mt, iron ore flat at US$104.35/mt and gold up 0.2% to US$4,074/oz.

Today's key data and events

Time	Event	Exp	Prev
1:00pm	AU RBA's Hunter Speaking	-	–
12:30am	US Nonfarm Payrolls Sep	54k	22k
12:30am	US Unemployment Rate Sep	4.3%	4.3%
12:30am	US Phily Fed Mfg. Index Nov	1.0	–12.8
2:00am	US Existing Home Sales Oct	0.5%	1.5%
2:00am	EU Consumer Confidence Nov Prel.	–14.0	–14.2
3:00am	US Kansas City Mfg. Index Nov	3	6

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, the **FOMC's October Minutes** were non-committal on inflation, highlighting the persistence of non-housing services inflation and an expectation that tariffs would continue to impact goods inflation in coming months, but also remaining of the belief that inflation would move "gradually to 2 percent". On the labour market, participants generally viewed the limited information available as consistent with "a labor market that had gradually softened through September and October but had not sharply deteriorated". Ahead, "participants generally expected conditions to soften gradually in coming months".

There was a clearer divide in views over the neutral policy rate and the best course of action for December. On the former, "[s]ome participants assessed that the Committee's policy stance would be restrictive even after a potential 1/4 percentage point reduction in the policy rate at this meeting" while others believed "the stance of monetary policy was not clearly restrictive". On the latter, "Most participants judged that further downward adjustments to the target range for the federal funds rate would likely be appropriate as the Committee moved to a more neutral policy stance over time, although several of these participants indicated that they did not necessarily view another 25 basis point reduction as likely to be appropriate at the December meeting."

The US **trade deficit** also narrowed in August, from –US$78.2bn to –US$59.6bn, as businesses continued to run with somewhat leaner inventories as risks around tariffs and policy linger.

In the Eurozone, the final estimate to **October's CPI** data did not reveal any major revisions to the flash estimates, with the headline index up 0.2% (2.1%yr), still consistent with the ECB's target. In the UK, **October's CPI** was also as expected, rising 0.4% (3.6%yr), though the downtick in core inflation (to 3.4%yr) and services inflation (to 4.5%yr) is certainly welcome.

Local Data:

In Australia, the **Q3 Wage Price Index** printed in line with market expectations, with slightly firmer public sector wage outcomes offsetting an easing in private wages (see here). Meanwhile, the **October Westpac-MI Leading Index** pointed to slightly above-trend growth in early 2026 (see here).

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