



Your Income Advantage

6th August 2025



## Overview of the US Market

---

Wall Street closed higher on August 6, 2025, as a tech-led rally offset concerns over trade uncertainties and mixed economic signals. The S&P 500 climbed 45.87 points, or 0.73%, to 6,345.06, driven by strong performances in technology and consumer discretionary sectors. The Nasdaq Composite surged 252.87 points, or 1.21%, to 21,169.42, buoyed by Apple's 5.1% jump following reports of a \$100 billion U.S. manufacturing pledge aimed at sidestepping potential tariffs. The Dow Jones Industrial Average rose modestly by 81.38 points, or 0.18%, to 44,193.12, reflecting cautious optimism amid tariff-related volatility.

Sector performance was mixed, with Consumer Discretionary (+2.51%) and Information Technology (+1.34%) leading gains, while Energy (-0.91%), Health Care (-1.52%), and Real Estate (-0.82%) lagged. Standout movers included Opendoor Technologies, which plummeted 24.60% on high volume, and Snap Inc., down 17.15% after reporting ad revenue challenges. Ainos Inc. soared 39.91%, driven by speculative trading. Investors shrugged off weaker-than-expected ISM Non-Manufacturing PMI data at 50.1 for July, below the Reuters poll of 51.5, focusing instead on robust corporate earnings and dip-buying opportunities.

President Trump's tariff rhetoric, including a new 25% levy on Indian goods over Russian energy purchases, kept markets on edge. However, his announcement of potential peace talks with Russia and Ukraine next week lifted sentiment, signalling possible de-escalation of global tensions. Investors are closely watching tomorrow's Initial Jobless Claims data, expected at 221,000 for the week of August 2, and the Federal Reserve's next moves, with markets pricing in a 60% chance of a 25-basis-point rate cut in September.

## Overview of the Australian Market

---

The Australian share market soared to new heights on August 6, 2025, with the S&P/ASX 200 index climbing 73.3 points, or 0.84%, to close at a record 8,843.7, just shy of its intraday peak of 8,848.8. The broader All Ordinaries index outperformed, gaining 82.3 points, or 0.91%, to a new high of 9,111.1. Market breadth was robust, with advancers outpacing decliners 223 to 56 in the S&P/ASX 300, marking a second consecutive day of strong momentum. Despite global uncertainties, including U.S. tariff threats and a lackluster U.S. services sector, Australian equities shrugged off concerns, buoyed by optimism around potential rate cuts and solid corporate earnings.

The Gold Sub-sector (XGD) led the charge, surging 3.3%, driven by gold prices holding near \$US3,432 an ounce, supported by expectations of lower global interest rates. Resources (XJR, +1.2%) and Energy (XEJ, +1.3%) rebounded strongly, with iron ore prices hitting their highest since May and coal imports to Asia ticking up. Standout performers included Pinnacle Investments, which rallied 9.5% to \$25.21 after a 50% jump in full-year net profit, and REA Group, up 6.9% on double-digit earnings growth. Large-cap miners like Fortescue (+1.3%) and Rio Tinto (+1.0%) also contributed, while Commonwealth Bank (+1.0%) anchored financials, which gained 0.8% despite lofty valuations.

Global headwinds, including U.S. President Donald Trump's comments on CNBC's Squawk Box about impending tariffs on semiconductors, pharmaceuticals, and India, failed to dent local sentiment. Investors instead focused on domestic strengths, such as Australia's stable banking sector and resilient mining industry, positioning the market as a relative safe haven. The S&P Global Services PMI for Australia rose to 54.1 in July, signalling robust growth in the services sector, further boosting confidence. However, AMP's Shane Oliver cautioned that high valuations could leave the market vulnerable if global risks materialize.

## Overview of the US Bond Market

---

U.S. Treasury yields remained stable on August 6, 2025, as bond traders' balanced optimism from equity gains with caution ahead of key economic data. The 10-year Treasury yield held steady at 4.23%, while the 2-year yield dipped 3 basis points to 3.71% following a soft \$42 billion 10-year Treasury sale. The 5-year yield edged up to 3.78%, and the 30-year yield stood at 4.82%. A rally in Treasuries gained traction as markets anticipated Federal Reserve rate cuts, with swap contracts pricing in nearly half a percentage point of easing by year-end, potentially starting in September.

Global trade uncertainties, driven by President Trump's ongoing tariff threats, including a 25% levy on Indian goods, continue to shape bond market dynamics. Despite these headwinds, the U.S. economy showed resilience, with the S&P Global Composite PMI for July rising to 55.1, signalling robust private-sector activity. Federal Reserve officials, including San Francisco's Mary Daly and Minneapolis's Neel Kashkari, hinted at potential rate adjustments to support a softening labour market, adding to expectations of monetary easing.

The U.S. dollar weakened slightly, reflecting market bets on lower rates, while gold futures climbed to \$3,400, bolstered by tariff uncertainty and rate-cut hopes. Investors are focused on tomorrow's Initial Jobless Claims data and the broader implications of Trump's trade policies, which could stoke inflationary pressures if unresolved. For now, bonds remain a safe haven as equities ride a wave of corporate-driven optimism.

## Overview of the Australian Bond Market

---

Australian government bond yields edged higher on August 6, 2025, reflecting cautious optimism amid global economic uncertainties and domestic strength. The 10-year Australia Bond yield raised 1 basis point to 4.23%, while the 2-year yield climbed 2 basis points to 3.33%. The 5-year and 15-year yields also ticked up, reaching 3.63% and 4.60%, respectively. These modest increases align with expectations of a potential 25-basis-point rate cut by the Reserve Bank of Australia (RBA) in August, fuelled by cooler-than-expected inflation data.

Globally, bond markets are navigating a complex landscape. U.S. Treasury yields dipped as traders scaled back long positions ahead of the Federal Reserve's next meeting, with markets pricing in a 60% chance of a 25-basis-point cut in September. In Australia, bond traders are similarly focused on the RBA's next moves, with the strong S&P Global Composite PMI reading of 53.8 for July underscoring economic resilience. However, Trump's tariff rhetoric, including potential 150%-250% levies on pharmaceuticals, introduces risks of imported inflation, which could pressure yields higher if trade tensions escalate.

The Australian dollar strengthened to 64.90 US cents, up 0.30%, reflecting positive market sentiment. Meanwhile, the SPDR S&P/ASX iBoxx Australian Bond ETF (ASX: BOND) remained steady, supported by demand for fixed-income assets as a hedge against global volatility. Investors are closely monitoring tomorrow's Balance on Goods data for June, expected to show an A\$3,400 million surplus, which could further influence bond yields and currency strength. With global trade uncertainties lingering, Australian bonds remain a focal point for investors seeking stability amid a robust domestic equity rally.

## **About YieldReport - Your Income Advantage**

YieldReport is Australia's leading online investor platform on interest rate markets and yield investments. YieldReport provides research, data, advice, news review and insights on what's shaping the yield curve and fixed income markets. It also provides a great source of reference for pricing and performance data on yield focused investment opportunities including cash, term deposits, and government and semi-government bonds, managed funds, ETFs, corporate bonds, floating rate notes and hybrids. YieldReport insights and analyses are designed to help anyone capital allocation or investment selection – whether it be their own or whether they sit on a finance committee, board etc. – to make informed decisions about where interest rates are going and to have access to the best rates and latest performance data available on yield-oriented investments.

Explore more via the website - [www.yieldreport.com.au](http://www.yieldreport.com.au). Find daily updates on social media platforms such as [LinkedIn](#) and [Twitter](#).

For inquiries, please contact [contact@yieldreport.com.au](mailto:contact@yieldreport.com.au) or call 0408 266 713.

**YieldReport – Interest Rates & Yield Investment Data & Research**  
**Level 2, Suite 208**  
**33 Lexington Drive**  
**Bella Vista NSW 2153**

## **Disclaimer**

The material contained in this document is for general information purposes only. It is not intended as an offer or a solicitation for the purchase and/or sale of any security, derivative, index, or financial instrument, nor is it an advice or a recommendation to enter any transaction. No allowance has been made for transaction costs or management fees, which would reduce investment performance. Actual results may differ from reported performance. Past performance is no guarantee for future performance.

This material is based on information that is reliable, but Foresight Analytics makes this information available on an “as is” basis without a duty to update, make warranties, express or implied, regarding the accuracy of the information contained herein. The information contained in this material should not be acted upon without obtaining advice from a licensed investment professional. Errors may exist in data acquired from third party vendors, & in coding related to statistical analyses.

Foresight Analytics disclaims any & all expresses or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. This communication reflects our quantitative insights as of the date of this communication & will not necessarily be updated as views or information change. All opinions expressed herein are subject to change without notice.