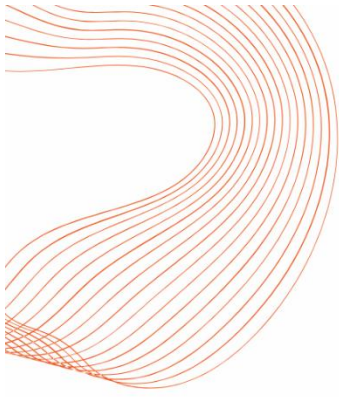




Your Income Advantage

19th September 2025



Overview of the US Market

Wall Street extended its record rally on September 19, 2025, capping a strong week with tech leading amid Fed cut optimism and resilient data, though concerns mount over valuations pricing in peak positives as growth may cool. The S&P 500 rose 0.49% to 6,664.36, the Nasdaq Composite climbed 0.72% to 22,631.48, and the Dow Jones Industrial Average added 0.37% to 46,315.27. Information technology surged 1.19%, communication services 0.52%, and consumer discretionary 0.34%, while energy lagged -1.28%. Actives highlighted Nvidia up 0.24% on high volume, Opendoor Technologies down 3.72%, and Intel slipping 3.24% after Thursday's 22.77% jump on Nvidia's \$5 billion pact.

The Morningstar US Market Index gained 1.25% weekly, led by tech up 2.42% and communication services 2.38%, with large-caps outperforming small-caps 1.62% to 0.56%. Of 844 covered firms, 47% rose, with standouts like Plug Power up 43.09% and Intellia Therapeutics 36.51%, while laggards included FactSet down 20.09% and Darden Restaurants 13.11%. FedEx fell post-close after flagging a \$1 billion tariff hit, echoing trade war drags. The S&P's 34% five-month surge—adding \$15 trillion—marks a rare feat since 1950, but Bloomberg Intelligence warns of middling growth phases yielding just 4% median six-month returns, versus 13% in recessions.

Silvant Capital's Michael Sansoterra sees Fed easing as stock-positive but flags Big Tech vulnerability to slowdowns, while TCW's Eli Horton notes spring pricing already baked in pain, requiring deep weakness to dent earnings bets. CFRA's Sam Stovall highlights historical 5.5% year-end gains post-20 records by late August, though October volatility looms. BlackRock's Helen Jewell stresses quantifying geopolitics via consumer and currency impacts on profits, amid rising risks like Ukraine, Gaza, and Trump tariffs. Goldman Sachs' Guillaume Jaisson cautions little pricing for escalation, with US valuations at 23 times earnings—two standard deviations above norms—leaving scant disappointment room. T. Rowe Price's Tim Murray warns high multiples amplify selloff risks from surprises, political or otherwise, as BofA surveys elevate geopolitical threats.

Overview of the Australian Market

Australian shares rebounded modestly on September 19, 2025, snapping a three-day slide as dip-buyers targeted health care and tech amid broader global risk-on flows post-Fed cuts, though weekly losses mounted to 1.03% for the ASX 200 amid energy woes and soft jobs data. The S&P/ASX 200 rose 0.32% to 8,773.5, while the broader All Ordinaries climbed 0.36% to 9,063.5. Health care led with a 0.91% gain, buoyed by Telix Pharmaceuticals surging 6.4% to \$14.53 on Citi's buy rating and prostate treatment upside, alongside Pro Medicus up 4.8% and CSL edging 0.02%—its first win this week amid a 15% five-week sector rout. Information technology advanced 0.85%, with Weebit Nano up 10.7% sans news.

Advancers outnumbered decliners 151 to 123 in the ASX 300, signaling underlying breadth despite big-cap drags like financials up only 0.58% with Commonwealth Bank higher. Energy slipped 0.16%, extending weekly 3.6% losses after Santos' 11.9% Thursday plunge on the failed Abu Dhabi bid. Top gainers featured Focus Minerals up 22.0% on an ASX price query response, Race Oncology 20.6% with an investor briefing, and Island Pharmaceuticals 19.2% after FDA meeting clearance. Decliners included Echoiq down 20.0% on a CPT code update, Stakk 13.9% post-rally pullback, and The Star Entertainment Group 13.0% amid ongoing woes.

The late bounce failed to avert a third weekly dip, with Capital.com's Kyle Rodda attributing post-earnings weakness to non-fundamental factors like global flows, noting earnings revealed softer underlying strength. August's job loss of 5.4 thousand—versus 21.5 thousand expected—held unemployment at 4.2% but amplified RBA easing calls after its recent 25 basis-point trim to 3.60%, per eToro analysts. The AUD/USD fell 0.34% to 0.659, as the greenback reclaimed ground, though gold miners like Evolution up 3.2% and Northern Star 1.2% benefited from bullion near \$3,650 an ounce after its \$3,707.65 record.

Overview of the US Bond Market

US Treasuries dipped further on September 19, 2025, as yields climbed amid economic resilience and tariff jitters, capping a week of post-cut reassessment with volatility near one-year lows despite geopolitical flares. The 2-year yield rose to 3.57% up 2 basis points weekly, the 5-year to 3.68% up 13 basis points from prior, the 10-year to 4.13% up 16 basis points, and the 30-year to 4.74% up 15 basis points. Gains erased amid robust prints like Philly Fed's 23.2 surge—beating 2.5 estimates—and prior jobless claims drop, signaling no rush for aggressive easing beyond the 4%-4.25% range.

Integrating macro insights, FedEx's \$1 billion tariff warning highlights trade war drags on earnings, mirroring August's 0% import prices YY and resilient 0.6% retail sales MM, per Wolfe's Stephanie Roth on dual-mandate tensions. Housing starts' prior 1.307 million miss lingers, but BI's model flags middling growth—0.5 reading—yielding tepid 4% S&P returns, versus recessionary 13%. JPMorgan surveys showed pre-Fed longs at lows, with asset managers trimming \$23.5 million per basis point in 5- and 10-year futures, CFTC data indicating leveraged shorts pared by \$5-6.5 million; swaps eye under 50 basis points year-end cuts. BofA surveys elevate geopolitics—Russia drones, Gaza assault, Trump policies—yet markets shrug unless oil spikes or bonds tumble, as BlackRock's Jewell quantifies via consumer/currency earnings hits. Auction sizes unchanged through Q4 per Treasury, amid EU/Japan deals curbing uncertainty for higher rates longer under Trump-Powell dynamics.

Overview of the Australian Bond Market

Australian government bond yields ticked higher on September 19, 2025, extending gains amid global firming post-Fed and domestic labor softness, as traders reassess RBA cut odds with unemployment steady but jobs missing forecasts. The 2-year yield rose to 3.36% up 4 basis points weekly, the 5-year to 3.65% up 5 basis points, the 10-year to 4.24% up 5 basis points, and the 15-year to 4.61% up 7 basis points. The climb reflected offshore Treasury pressure and tempered easing expectations, as August's 5.4 thousand job contraction—against 21.5 thousand adds—kept the 4.2% rate but signaled demand cooling, prompting eToro warnings of inadequate RBA response post its 3.60% stance.

Blending macro views, tariff uncertainties echo US FedEx warnings of \$1 billion hits, potentially inflating imports per prior 0% August YY rise, complicating RBA's mandate amid resilient yet middling growth per Bloomberg Intelligence models. The AUD's 0.34% dips to 0.659 underscores greenback rebound, though gold's \$3,686 close bolsters miners. Dealers hold auction sizes steady per April, with Bessent's 90-day China truce option possibly easing pass-through, as EU/Japan pacts dissipate volatility.

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