



Your Income Advantage

22nd September 2025



Overview of the US Market

Wall Street advanced on September 22, 2025, with tech powering records as Nvidia's \$100 billion OpenAI pledge rekindled AI bets, though calls for a breather grow amid \$15 trillion rally since April and tariff drags. The S&P 500 rose 0.44% to 6,693.75—its 28th 2025 record—the Nasdaq Composite climbed 0.70% to 22,788.98, and the Dow Jones Industrial Average added 0.14% to 46,381.54. Information technology surged 1.74%, utilities 0.92%, and industrials 0.38%, while consumer staples lagged -0.89%. Actives saw Opendoor Technologies down 12.43%, Nvidia up 3.93%, and Snap 4.53%.

Broad gains came despite muted bonds ahead of Friday's PCE, forecast at 0.2% core MM—easing from 0.3%—offering Fed room for labor focus, per TD's Oscar Munoz on moderating spending. Nvidia's 4% rally highlighted AI optimism, but Goldman's Tony Pasquariello warned against fighting mega-cap tech amid tactical risks. St. Louis Fed's Alberto Musalem sees limited cut space with elevated inflation, contrasting Governor Stephen Miran's aggressive easing push to avert job losses. Cleveland's Beth Hammack urges caution against overheating.

Goldman's David Kostin hiked S&P targets to 6,800 three-month, 7,000 six-month, citing 15% median returns post-non-recessionary cuts. RGA's Rick Gardner notes bucking September weakness via cuts, earnings, growth, but E*Trade's Chris Larkin eyes Goldilocks data—soft but not recessionary—for volatility avoidance near highs. Morgan Stanley's Michael Wilson shifts focus to Fed's 2026 inflation tolerance amid "run it hot" administration, potentially boosting earnings. UBS's Mark Haefele sees S&P at 6,800 by June 2026 base, 7,500 bull, but consolidation likely post-run. Deutsche's Parag Thatte flags climbing positioning without extremes, while Silvant's Michael Sansoterra buys tech like Broadcom, betting slowdown needed to rattle expectations. CFRA's Sam Stovall flags 5.5% average year-end gains post-20 records, though October bumps loom.

Overview of the Australian Market

Australian shares climbed on September 22, 2025, led by a surge in materials as commodity prices buoyed miners, gold, and uranium plays, offsetting softer sectors amid choppy trade and ahead of Wednesday's CPI data. The S&P/ASX 200 rose 0.43% to 8,810.9, while the broader All Ordinaries gained 0.45% to 9,102.1. Materials jumped 2.60%, with iron ore giants Fortescue up 3.2%, Rio Tinto 2.6%, and BHP 1.0% amid China's trader urging mills to avoid a BHP product. Gold miners shone with Genesis Mining rocketing 13.7%, Northern Star 8.2%, and Evolution 6.3%, as bullion hit \$3,720 an ounce. Uranium names like Silex Systems 3.8%, Paladin 4.6%, and Boss Energy nearly 7% tracked price gains.

Decliners edged advancers 141 to 136 in the ASX 300, reflecting indecision with the benchmark at its session midpoint. Energy slipped 0.70% despite Santos edging 0.4% on Barossa first gas, weighed by Viva Energy down 8.1% on leadership changes and Woodside off 1.0%. Real estate lagged 0.73% with Goodman Group lower. Top gainers included Island Pharmaceuticals up 12.6% sans news, Peninsula Energy 12.5% amid uranium strength, and Energy Transition Minerals 12.3%. Decliners featured Regis Healthcare down 26.2% on funding and FY26 outlook, Focus Minerals 9.3% post-rally pullback, and Torque Metals 9.1%.

The early spike faded, per IG's Tony Sycamore, with ASX underperformance potentially attracting month-end rebalancing. August's labor miss lingers, but Wednesday's weighted CPI YY expected at 2.9%—up from 2.8%—may test RBA's November cut odds at 80%. The AUD/USD dipped 0.04% to 0.6591, as greenback recovery and tariff talks per Bessent's 90-day extension option weigh.

Overview of the US Bond Market

US Treasuries dipped on September 22, 2025, with yields edging higher amid tech-led equity highs and tariff jitters, ahead of Friday's PCE eyed for easing room as volatility nears yearly lows despite geopolitics. The 2-year yield rose 3 basis points to 3.60%, the 5-year 6 basis points to 3.70%, the 10-year 11 basis points to 4.15%, and the 30-year 11 basis points to 4.76%. Pressure mounted pre-auctions and inflation gauge, forecast at 0.2% core MM—down from 0.3%—per TD's Munoz on tariff goods creep and services moderation.

Weaving macro, FedEx's \$1 billion volatility warning underscores trade war earnings drags, echoing resilient yet middling BI growth at 0.5—historically 4% S&P returns versus recessionary 13%. Prior jobless drop and Philly surge affirm labor stability, but Miran's tight policy risk contrasts Musalem's limited cuts on 2.9% core YY hold. Hammack's caution ties to overheating fears amid Trump's "run it hot." JPM surveys show longs low, asset managers trimming \$23.5 million per basis point in 5-10 year futures, CFTC leveraged shorts pared \$5-6.5 million; swaps less than 50 basis points year-end. BofA elevates geopolitics—Russia, Gaza, Taiwan—yet markets unfazed unless oil or bonds spike, per BlackRock's Jewell on earnings quantification. Auctions unchanged Q4 per Treasury, EU/Japan deals easing uncertainty for higher rates under Trump-Powell

Overview of the Australian Bond Market

Australian government bond yields climbed on September 22, 2025, amid commodity-driven equity strength and global firming, as traders eye Wednesday's CPI for RBA cues post-labor miss. The 2-year yield rose 4 basis points to 3.40%, the 5-year 4 basis points to 3.69%, the 10-year 4 basis points to 4.28%, and the 15-year 4 basis points to 4.65%. The uptick blended resource resilience with offshore Treasury pressure, as August's 5.4 thousand job loss—versus 21.5 thousand expected—held 4.2% unemployment but signaled softening, amplifying November cut odds at 80% despite potential 2.9% CPI YY rise from 2.8%. Macro ties include tariff pass-through risks mirroring FedEx's \$1 billion hit, per import prices at 0% YY, complicating RBA amid middling growth per BI models yielding tepid equity returns. The AUD's 0.04% slip to 0.6591 reflects dollar rebound, though gold's \$3,747 record bolsters miners.

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