



Your Income Advantage

**23rd September 2025**



## Overview of the US Market

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Wall Street retreated from record highs on September 23, 2025, as big tech slid and Federal Reserve Chair Jerome Powell offered no clear signal on October rate cuts, dampening momentum after a \$15 trillion rally since April. The S&P 500 fell 0.55% to 6,656.92, the Nasdaq Composite dropped 0.95% to 22,573.47, and the Dow Jones Industrial Average eased 0.19% to 46,292.78. Energy led gains at 1.71%, real estate rose 0.81%, and utilities added 0.54%, while consumer discretionary slumped 1.44% and information technology fell 1.14%. Actives included Plug Power down 4.53%, Opendoor Technologies off 15.39% and BigBear.ai up 12.85%, with Nvidia slipping 2.82% despite its \$100 billion OpenAI pledge.

Powell highlighted labor and inflation risks, per The Boock Report's Peter Boockvar, signaling a cautious Fed stance amid tariff-driven price pressures, as noted by TradeStation's David Russell. Evercore's Krishna Guha emphasized Powell's focus on employment and inflation over stock valuations, despite high multiples. Most S&P 500 shares rose, but a 1.5% drop in the Magnificent Seven gauge weighed heavily. Late gains came from Micron Technology's upbeat forecast. Piper Sandler's Craig Johnson, with S&P at 6,600, sees a bullish 2026 but flags five-month rally fatigue. Renaissance Macro's Neil Dutta expects Powell to back cuts at the next two meetings, supported by Fed Governor Michelle Bowman's call for decisive action on labor weakness, though Atlanta's Raphael Bostic and Chicago's Austan Goolsbee warn of tariff-fueled inflation. Ameriprise's Anthony Saglimbene ties lower yields since May to equity valuation support, but Morgan Stanley's Lisa Shalett notes growing skepticism. Wednesday's new home sales, expected at 0.65 million, and Friday's PCE at 0.2% core MM—down from 0.3%—will guide Fed bets, with tariffs and AI enthusiasm in focus.

## Overview of the Australian Market

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Australian shares edged higher on September 23, 2025, driven by materials and financials, though gains were tempered by real estate and tech softness ahead of Wednesday's CPI release. The S&P/ASX 200 rose 0.40% to 8,845.9, and the All Ordinaries gained 0.39% to 9,137.8. Materials advanced 0.86%, with BHP up 0.5% and Rio Tinto 1.1%, offsetting Fortescue's 1.1% drop. Financials rose 0.63%, led by National Australia Bank up 1.0%, with all big four banks gaining 0.7-1.0%. Gold stocks again outperformed, with Northern Star up 3.2% and Saturn Metals 11.7% as bullion held near \$3,764 an ounce. Real estate fell 0.35%, and consumer staples dipped 0.29%.

Advancers outpaced decliners 148 to 113 in the ASX 300, with top performers including Caprice Resources up 20.0% and Cettire 18.8% on a substantial holding change. Decliners saw Myer drop 25.0% on FY25 results and Coronado Global Resources 13.4%. Tuesday's PMI data—manufacturing at 51.6, services at 52—signaled expansion but cooled from prior 53 and 55.8, per IG's Tony Sycamore, with CPI expected at 2.9% YY potentially firming RBA's November cut odds at 80%. Energy ticked up 0.06% despite uranium strength, with Santos flat. The AUD/USD fell 0.14% to 0.6591 amid dollar stability.

## Overview of the US Bond Market

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US Treasuries gained slightly on September 23, 2025, with yields dipping after a four-day climb, as markets await Friday's PCE data and parse Powell's neutral stance on cuts amid tariff and labor concerns. The 2-year yield fell 1 basis point to 3.59%, the 5-year 3 basis points to 3.67%, the 10-year 4 basis points to 4.11%, and the 30-year 4 basis points to 4.72%. The pullback reflects caution before PCE, forecast at 0.2% core MM—easing from 0.3%—offering Fed room to address labor softening, per TD Securities' Oscar Munoz on tariff pass-through and services moderation.

Macro factors include FedEx's \$1 billion tariff hit warning, echoing 0% import price YY, with resilient growth per Bloomberg Intelligence's 0.5 reading signaling tepid 4% S&P returns versus 13% in recessions. Powell's labor focus, per Dutta, contrasts Bostic's inflation concerns, while Bowman pushes aggressive cuts. JPMorgan's survey shows net longs at two-month lows, with asset managers trimming \$23.5 million per basis point in 5-10 year futures, CFTC data indicating leveraged shorts cut by \$5-6.5 million. Swap contracts hold under 50 basis points of year-end easing. Geopolitical risks—Russia, Gaza, and Trump's policies—remain muted unless oil spikes, per BlackRock's Helen Jewell, with EU/Japan deals reducing uncertainty. Treasury auctions stay steady per April guidance, supporting higher rates under Trump-Powell dynamics.

## Overview of the Australian Bond Market

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Australian government bond yields held steady to slightly lower on September 23, 2025, as markets braced for Wednesday's CPI, expected at 2.9% YY, amid commodity strength and global yield dynamics. The 2-year yield was flat at 3.38%, the 5-year unchanged at 3.67%, the 10-year steady at 4.26%, and the 15-year down 1 basis point to 4.63%. Stability reflects caution post-PMI slowdown—manufacturing at 51.6, services 52—versus prior 53 and 55.8, with August's labor miss of 5.4 thousand jobs fueling RBA easing bets.

Macro blends include tariff risks mirroring US warnings, with import prices at 0% YY complicating RBA's stance amid middling growth, per BI models. Gold's \$3,764 record supports miners, while the AUD's 0.14% dip to 0.6591 tracks dollar resilience. CPI upside could temper November cut odds.

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