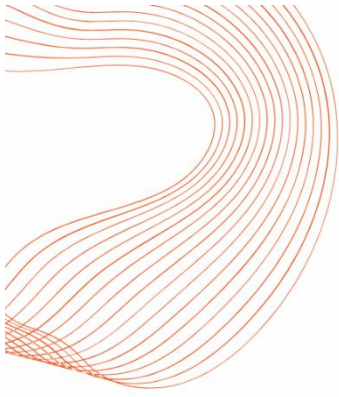




Your Income Advantage

10th October 2025



Overview of the US Market

Wall Street tumbled on October 10, 2025, as renewed US-China trade tensions from President Trump's tariff threats triggered a rush to safety, with the S&P 500 plunging 2.71% to 6,552.51 in its worst day since April. The Nasdaq Composite sank 3.56% to 22,204.43, led by tech's 3.97% drop, while the Dow Jones Industrial Average fell 1.90% to 45,479.60. Nvidia dropped 4.89% on heavy volume amid AI bubble fears, and Plug Power declined 9.52%. Consumer staples rose 0.25%, bucking the rout.

The selloff erased weekly gains, with information technology hardest hit as tariff hikes threatened supply chains. Recent data showed August trade deficit at -\$78.3 billion wider than expected, factory orders down 1.3% versus 1.4% poll, underscoring vulnerabilities. September non-farm payrolls, due Friday but delayed by shutdown, had a 50,000 add forecast after August's 22,000, with unemployment at 4.3%.

Interactive Brokers' Steve Sosnick calls it a "tariff rug pull" amid complacency, JonesTrading's Michael O'Rourke warns of larger correction if truce ends. 22V's Michael Hirson sees backdown window but political risks for Trump. Northlight's Chris Zaccarelli expects rebound absent economic hit, dip-buyers vindicated by year-end. FBB's Michael Bailey views tariffs as cover for AI selling. Janney's Dan Wantrobski anticipated 5-10% pullback from overbought, not structural downturn. Fundstrat's Mark Newton suspects further Fall selloff despite bounces. Allianz's Charlie Ripley notes threats not always actions, fundamentals intact.

Bank of America cites \$20 billion equity inflows, \$25.6 billion bonds, \$5.5 billion crypto, ample dry powder. Comerica's Eric Teal advocates diversification amid concentration.

Corporate highlights included Tesla's Shanghai shipments up, Google's UK strategic status, China fees on US ships and Qualcomm probe. Chevron seeks Namibia wells, Mosaic phosphate shortfalls. CoreWeave leaders sold \$1 billion shares. AstraZeneca nears Trump drug price deal, Stellantis shipments up 13%. Carlyle takes BASF coatings, BlackRock funds accept BBVA Sabadell bid.

Ahead, next week's earnings amid trade jitters.

Overview of the Australian Market

Australia's share market closed lower on October 10, 2025, capping a 0.32% weekly decline as materials slumped 2.10% on gold, copper weakness, dragging the S&P/ASX 200 down 0.13% to 8,958.3 and All Ordinaries off 0.13% to 9,264.3. Information technology rose 1.11%, consumer discretionary up 0.73%. Novonix surged 27.3% on graphite production, Focus Minerals up 20.2%.

Gold sub-sector fell 3.5% as prices eased from \$4,059 peak, despite 93% YTD gain. September inflation expectations at 4.8% vs 4.7% curbed RBA cut bets. Energy down 0.73% on oil dip amid Gaza deal.

Standouts: L1 Group up 16.2% on AUM update, European Lithium gaining 15.4% on offtake. Painchek dropped 13.3% post-rally.

AMP's Shane Oliver sees correction risk from valuations, triggers, but positive 6-12 months on Trump pivot, Fed cuts, RBA easing.

Ahead: RBA minutes Tuesday, jobs Thursday hinting inflation path.

Overview of the US Bond Market

Treasuries rallied sharply on October 10, 2025, with the 10-year yield diving 11 basis points to 4.03% as tariff escalation spurred haven demand, dollar easing after best weekly gain. The 2-year fell eight to 3.50%, 30-year down 10 to 4.62%. Shorter bills dipped slightly, 3-month at 3.85%, amid risk-off flows.

Trump's 100% tariff threat from November 1, plus software export controls, risks earnings and growth, echoing April meltdown while amplifying shutdown data voids like delayed September payrolls (forecast 50,000 adds, 4.3% unemployment after August's 22,000). August trade gap -\$78.3 billion and factory miss heighten slowdown fears, potentially backing more Fed cuts.

Interactive Brokers' Jose Torres sees levies weighing outlook, boosting havens. NatAlliance's Andrew Brenner notes reversal bid for bonds. CSIS's Gracelin Baskaran flags China's strictest controls leveraging compliance.

Bank of America inflows suggest positioning not extended. CFTC data: asset managers trimmed longs \$23.5 million per basis point in 5-year, bonds; leveraged pared shorts.

Dealers expect steady November-January auctions, though shutdowns disrupt, trade war spilling to issuance.

Overview of the Australian Bond Market

Australian yields rose modestly on October 10, 2025, with the 10-year up one basis point to 4.36% as sticky 4.8% inflation expectations reinforced RBA caution amid US trade flare-up. The 2-year gained two to 3.52%, 5-year up two to 3.77%, 15-year rose one to 4.69%, steepening slightly.

Trump's tariff hike threats, risking supply chains and growth, could hit Aussie commodities, echoing China's rare-earth curbs as negotiation leverage pre-Xi meet. Local inflation tick dims cuts ahead of Thursday jobs, quarterly print key for November move.

AMP's Oliver positive on shares longer-term via policy tailwinds despite risks. Georgetown's Jacob Feldgoise notes chipmaker impacts from curbs.

CFTC positioning: trimmed longs suggest prudence on valuations. Dealers anticipate unchanged issuance, but Powell speech, Bullock talk may reprice.

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