yieldreport Daily

Your Income Advantage

16th October 2025

Overview of the US Market

Wall Street retreated on October 16, 2025, as regional bank loan fraud revelations amplified credit quality fears amid persistent trade war unease and limited data from the government shutdown. The S&P 500 dropped 0.63% to 6629.07, the Dow Jones Industrial Average fell 0.65% to 45952.24, and the Nasdaq Composite slipped 0.47% to 22562.54. Financials tumbled 2.75%, with Zions Bancorp sinking 13% and Western Alliance plunging 11% on $50 million charge-offs, evoking SVB echoes though isolated per Interactive Brokers' Steve Sosnick and KBW's Christopher McGratty.

Initial AI-driven gains from TSMC's upbeat forecast and ASML faded, but Oracle spiked on AI margins, and Nvidia rose 1.1%. Energy declined 1.12% as oil dipped to $57.55 a barrel. Trump's Putin summit agreement in two weeks buoyed geopolitics, potentially aiding Ukraine talks. Fed's Waller advocated quarter-point cuts for labor support, Miran larger moves amid trade risks. Citigroup's Beata Manthey anticipates choppier bull from trade complexities; Morgan Stanley's Daniel Skelly favors quality large-caps over unprofitable firms. AAII bullish sentiment fell to 33.7%, bespoke notes investor reticence despite solid AI spending per Strategas' Ryan Grabinski. UBS upgrades US to attractive, targeting 6900 year-end on growth, cuts, AI.

Overview of the Australian Market

Australian shares shattered records on October 16, 2025, as unemployment's surprise jump revived rate-cut prospects. The S&P/ASX 200 surged 0.86% to 9068.4, breaching 9100 intraday for first time, with All Ordinaries up 0.83% to 9375.9. Real estate led with 2.78%, health care 1.34%, financials 1.2%, as jobless rate hit 4.5% vs 4.3% forecast—highest since 2021—and jobs rose 14.9k vs 20k, per ABS.

Oxford's Harry Murphy Cruise sees November cut warranted despite inflation, AMP's My Bui entrenched 4.5% jobless. Rates markets price 70% November odds, up from 40%, per Reuters, with IG's Tony Sycamore noting RBA's awkward spot. Gold over $4242 boosted miners, energy up 0.98%. Critical minerals cooled like Iluka down 10.6%, Ionic 25%. Macquarie rallied 5% on data center sale, AMP five-year high on AUM, Mayne up 11% on court win. Capital's Kyle Rodda highlights easing bets boosting stocks.

Overview of the US Bond Market

Treasury yields declined on October 16, 2025, with the 10-year dipping five basis points below 4% to 3.97%, two-year hitting 2022 lows at 3.42% down eight, and 30-year to 4.59% down four, as bank woes spurred safe-haven flows while gold set $4310 record.

Bessent's coalition-building at IMF with Europe, Australia, Canada, India, Asia for rare-earth response signals de-risking over decoupling, tempering trade war fears amid shutdown's data void complicating Fed urgency. Waller's measured easing, Miran's tail risks from tensions back two more quarter-points this year. Philly Fed plunged to -12.8 vs 8.5 expected, highlighting cooling.

JPMorgan surveys indicate trimmed longs, asset managers paring $23.5 million per basis point in CFTC data, reflecting caution on credit cracks like Tricolor's JPM hit. Dealers foresee steady August-October auctions per April guidance.

Thursday's retail sales (0.4% forecast), housing starts (1.32 million), import prices could affirm softening consumer, swaying cuts as eToro's Bret Kenwell eyes earnings to steady volatility.

Overview of the Australian Bond Market

Australian government bond yields tumbled on October 16, 2025, with the 10-year down seven basis points to 4.14%, two-year to 3.32% down ten, 15-year to 4.49% down six, as labor miss fueled easing wagers amid gold's surge.

Unemployment spike to 4.5%—worse than RBA peaks—revives November cut to 70% odds, per Sycamore, despite Bullock's spending pause. US-China curbs risk inflation, but Bessent's de-risking coalition avoids chaos. AUD eased 0.31% to 0.6492.

Q3 inflation late October pivotal; Thursday's tentative US retail sales, PPI on shutdown. Funds lean risk-averse via defensives, records signal resilience but volatility if trade escalates or AI disappoints.

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. Find daily updates on social media platforms such as LinkedIn and Twitter.
For inquiries, please contact 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.