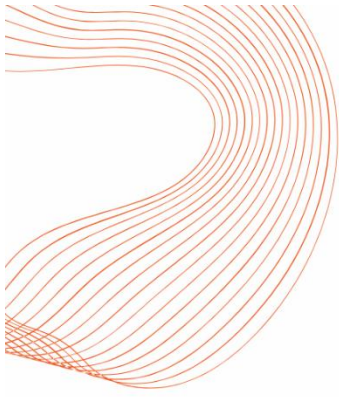




Your Income Advantage

31st October 2025



## Overview of the US Market

---

Wall Street closed higher on October 31, 2025, buoyed by strong earnings from Amazon and a resilient outlook from Apple, offsetting concerns over AI spending and a hawkish Federal Reserve tone. The S&P 500 rose 0.26% to cap a volatile October with a 2.3% monthly gain, extending its longest streak of monthly advances since 2021, while the Nasdaq Composite climbed 0.61% and the Dow Jones Industrial Average added 0.09%. Amazon surged 9.58% after its cloud unit posted 20% growth, its fastest since 2022, while Apple shares fluctuated but ended positively despite a China sales dip and supply issues on iPhone 17 models. Nvidia dipped 0.20% amid CEO Jensen Huang's comments on potential Blackwell chip sales to China, and Meta's off-balance-sheet AI data center spending of \$30 billion highlighted the sector's capital intensity.

Sector gains were led by consumer discretionary up 4.08%, driven by Amazon, while energy rose 0.64% and financials added 0.18%. Materials fell 0.86%, utilities dropped 0.77%, and information technology eased 0.32%. Active stocks featured Nvidia with heavy volume, Amazon on its earnings pop, and Pfizer up 1.48%, while Getty Images fell 6.47% and Opendoor gained 5.86%.

The advance followed a \$17 trillion rally since April, fueled by corporate confidence and rate-cut bets, though narrowing breadth raised short-term risks. October's challenges, including trade risks, a US government shutdown, and elevated valuations at 23 times forward earnings, tested bulls, but earnings optimism prevailed with 83% of S&P 500 reports beating estimates. Treasury Secretary Scott Bessent noted China's threat on rare earth exports was a mistake, amid a trade truce easing demand for gold, which slipped below \$4,000 an ounce.

Fed Chair Jerome Powell's warning against assuming a December cut, after a 10-2 vote for a quarter-point reduction, drew dissents from hawks like Dallas Fed's Lorie Logan and Kansas City's Jeffrey Schmid, who cited strong labor and inflation. Cleveland's Beth Hammack and Atlanta's Raphael Bostic echoed caution, while Governor Christopher Waller advocated for a December cut to support the labor market. With the shutdown delaying November's jobs report, private data like ADP will gain focus.

Strategists at Nationwide's Mark Hackett see skepticism on rally participation as another bear argument fading, supporting strength through year-end. Fundstrat's Thomas Lee buys dips in a seasonally strong fourth quarter, with broad sector growth beyond AI. UBS's Mark Haefele urges adding AI exposure via diversification, as mentions in transcripts accelerate and integration spreads to non-tech like Honeywell and Caterpillar. Janus Henderson's Jeremiah Buckley notes growth stocks' valuation premium over value is backed by fundamentals, unlike 2000, with profitability gaps widening.

## Overview of the Australian Market

---

Australia's share market closed slightly lower on October 31, 2025, in a lackluster session capping a grim week amid stock shocks and dashed rate-cut hopes. The S&P/ASX 200 slipped 0.04% to 8,881.9, down 1.52% weekly and 2.63% from its all-time high, while the All Ordinaries eased 0.01% to 9,178. Energy led gainers up 0.60%, with communication services adding 0.45% and materials 0.22%, but consumer discretionary plunged 1.70%, utilities fell 1.13%, and information technology dropped 0.55%.

The dip followed third-quarter CPI at 1.3% quarterly and 3.2% annually, with trimmed mean at 1.0% quarterly and 3.0% yearly, hotter than polls and solidifying no RBA cuts soon. Retail sales rose 0.3% quarterly, beating flat expectations. Gold stocks rebounded 3.3% as prices bounced, with Northern Star, Evolution, and Newmont up over 3%, though spot gold dipped below \$A6,110 by close after China scrapped a gold tax break, potentially hiking consumer costs.

Critical minerals shone, with European Lithium up 26.8%, Resolution Minerals 20.5%, and Lontown up on sector strength. Woodside and uranium plays lifted energy, amid US nuclear plans. Health care edged 0.13% but shed over 8% weekly after CSL's profit warning. Mayne Pharma cratered 31.5% on blocked \$672 million takeover, Steadfast fell 9.7% on CEO probe, and JB Hi-Fi dropped 3.4%, Wesfarmers 2.5% in discretionary rout.

Big banks mixed, with Westpac and CBA higher, ANZ down 0.6% on \$1 billion earnings hit. Iron ore giants softened but gained weekly on prices. The Aussie dollar slipped to 0.6544 versus the US dollar.

## ***Overview of the US Bond Market***

---

Bond traders steadied positions after a post-Fed rout, with Treasury yields little changed as markets weighed hawkish dissents and resilient data against labor risks. The 10-year yield held at 4.09%, the 2-year dipped 1 basis point to 3.60%, and the 30-year rose 1 to 4.67%, steepening the 2s-10s curve to +49.1 basis points. The dollar's third straight gain hit a three-month high, pressuring EUR/USD to a similar low.

The calm followed Powell's signal that December easing is no sure thing, amid internal divides where hawks like Logan see policy near neutral and inflation risks from services prices, while Waller prioritizes labor softening. Treasury Secretary Scott Bessent's critique of China's rare earth threats, in a truce easing global uncertainties, may cap upside for yields if supply chains stabilize. Third-quarter GDP approached 4%, per White House adviser Kevin Hassett, signaling momentum that bolsters higher-for-longer views, though shutdown fog limits visibility, with Logan relying on private surveys showing stable jobs.

September PCE inflation met expectations at 0.3% monthly and 2.8% yearly, core at 0.2% monthly and 2.9% yearly, reinforcing gradual progress toward 2%. Durable goods rose 0.2%, missing polls, while consumer confidence beat at 94.6. Industrial production and housing starts aligned with forecasts, new home sales topped estimates, but shutdown delays like nonfarm payrolls elevate alternative data.

JPMorgan's client survey likely showed trimmed longs amid vol decline, with swaps pricing less than half a point of easing by year-end. Asset managers pared net longs in futures per recent CFTC, concentrated in shorter tenors, as leveraged funds reduced shorts in longs. Dealers anticipate steady auction sizes for November-January, with 5- and 10-year up \$1 billion, supporting issuance amid AI-driven growth but potential tariff bites if deals falter.

## ***Overview of the Australian Bond Market***

---

Australian government bond yields edged lower as markets digested hot inflation prints and a hawkish global tone, with limited data flows amid US shutdown parallels. The 10-year yield dipped 1 basis point to 4.29%, the 2-year fell 2 to 3.55%, and the 15-year held at 4.60%. The curve showed minimal shift, reflecting steady policy bets.

Third-quarter CPI exceeded polls at 1.3% quarterly and 3.2% annually, trimmed mean at 3.0% yearly, pushing back easing and aligning with Fed hawks like Logan seeing neutral rates. China's APEC 2026 in Shenzhen highlights tech prowess, potentially stabilizing trade post-truce, but gold tax scrap may strain revenues if growth lags, capping yield downside.

The Aussie dollar dipped below its 100-day average, pressured by yuan and copper ahead of PPI. Bond positioning anticipates caution, with inflation resilience and AI integration in non-resources echoing US trends, strengthening higher-for-longer if fundamentals hold amid tariff clarity.

## **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](http://www.yieldreport.com.au). Find daily updates on social media platforms such as [LinkedIn](#) and [Twitter](#).

For inquiries, please contact [contact@yieldreport.com.au](mailto: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.