



Your Income Advantage

9th October 2025



Overview of the US Market

Wall Street closed lower on October 9, 2025, as signs of an overstretched rally prompted caution amid a 36% surge from April lows, with the S&P 500 slipping 0.28% to 6,735.11. The Nasdaq Composite dipped 0.08% to 23,024.63, while the Dow Jones Industrial Average fell 0.52% to 46,358.42. Nvidia rose 1.83% on heavy volume, but energy and materials dragged, down 1.30% and 1.52% respectively, as oil sank on easing Middle East tensions. Consumer staples gained 0.61%, providing some offset.

Actives included Rigetti Computing up 8.98% and Plug Power adding 3.42%. Recent data showed August factory orders down 1.3% month-over-month versus 1.4% expected, underscoring industrial weakness, while September payrolls loom Friday at a forecasted 50,000 adds with unemployment at 4.3%. Initial claims for the week ended September 27 came in at 218,000 below 223,000 poll, offering labor resilience.

Truist's Keith Lerner sees no excessive optimism despite froth, with the bull below median historical gains at 90% from 2022 lows. Piper Sandler's Craig Johnson flags short-term stretches and breadth fatigue, suggesting consolidation. Bespoke notes returns after all-time highs nearly match averages since 1953, advising against over-thinking. Sevens Report's Tom Essaye views AI as a capex bubble needing adoption to sustain, not yet imminent pop.

Morgan Stanley's Daniel Skelly highlights leading spenders' earnings power differentiating from dot-com, recommending quality dividend growers as hedges. The UBS's Ulrike Hoffmann-Burchardi sees the AI rally underpinned by fundamentals despite circular investment concerns. JPMorgan notes modest hedge fund exposure, signaling room before extended. City Index's Fawad Razaqzada advises buying dips amid positive sentiment pre-earnings, with SoFi's Liz Thomas expecting strong Q3 results supporting valuations, profit margins key amid tariff debates. Strategas's Ryan Grabinski warns of buyback blackout weakness, but reassertion by November.

Corporate highlights included US approving Nvidia exports to UAE, Microsoft extending data-center crunch, OpenAI raising EU antitrust concerns over Google, Microsoft, and Apple. Google's Gemini Enterprise launches for workers, Amazon updates AI business tool. Tesla under NHTSA probe for traffic violations, Intel unveils turnaround products. Salesforce enters IT management, UnitedHealth eyes Massachusetts practice stake. Paramount's Ellison sees media consolidation, Warner plans Minecraft sequel. Delta forecast strong demand, Citigroup rejected Banamex bid, Lyft partners Tensor for robotaxis. PepsiCo overhauls amid activist talks, Costco beat sales estimates. Trump mulls TP-Link restrictions, US rare-earth miners rally on China curbs. Marathon bought First Brands loan, Novo bought Akero for \$5.2 billion, TSMC reported 30% Q3 sales rise.

Ahead, Friday brings preliminary October University of Michigan sentiment at 54.6 and inflation expectations.

Overview of the Australian Market

Australia's share market ended higher on October 9, 2025, snapping a three-session slide as materials surged 1.80% on copper and rare earths strength, lifting the S&P/ASX 200 by 0.25% to 8,969.8 and All Ordinaries up 0.34% to 9,276.6. Small caps outperformed at 0.63%, emerging companies up 1.44%. Sandfire Resources rose 5.3%, Capstone Copper added 7.6%, Arafura Rare Earths gained 8.8%, Lynas up 5.3%. Infini Resources soared 226.1% on uranium hits, Marmota jumped 41.2% on gold grades.

September Melbourne Institute inflation expectations rose to 4.8% annually from 4.7%, hotter than anticipated, dimming RBA cut hopes. Consumer staples rebounded 0.67% with Coles and Woolworths, but financials fell 0.47% on NAB down 1.4%. Energy edged 0.09% as oil recovered slightly.

Standouts included loneer up 18.6% on US lithium stake, European Lithium gaining 18.2% on offtake LOI. Findi dropped 21.2% on guidance. Capital.com's Kyle Rodda notes blind flying pre-Fed amid shutdown, with AI narratives driving globals. Betashares' David Bassanese sees end-October inflation key for November RBA cut debate.

Ahead, Fed Chair Powell speaks Thursday, RBA Governor Bullock Friday, tentative US payrolls.

Overview of the US Bond Market

Treasury yields climbed on October 9, 2025, with the 10-year up three basis points to 4.14% as dollar strength and oil declines reflected cooling geopolitics, amid shutdown data delays heightening earnings focus. The 2-year rose two basis points to 3.60%, and the 30-year advanced two to 4.73%. Shorter bills ticked higher, 3-month at 3.86%, as markets price Fed caution.

President Trump's military deployments, including federalizing Guard troops in Portland and Chicago despite lawsuits citing Posse Comitatus violations, add fiscal uncertainty, potentially inflating borrowing amid Norway tensions over Nobel pressures. Economic prints like August trade deficit at -\$78.3 billion wider than -\$61 billion expected pressure growth, while factory orders miss fuels slowdown bets ahead of Friday's payrolls at 50,000 forecast versus prior 22,000 actual, possibly swaying two more cuts this year per views.

Nuveen's Saira Malik sees Q4 strength favoring rally continuation. City Index's Razaqzada notes shallow retracements supporting dips, but pullback possible. JPMorgan data shows speculative futures near medians, not extended. CFTC reports asset managers trimmed longs by \$23.5 million per basis point in 5-year and bonds, leveraged pared shorts.

Dealers anticipate steady auctions November-January, though shutdowns risk disruptions, with sentiment data potentially highlighting consumer tariff impacts.

Overview of the Australian Bond Market

Australian government bond yields mixed modestly on October 9, 2025, with the 10-year flat at 4.35%, as hotter 4.8% inflation expectations reinforced RBA hold amid global shutdown data voids. The 2-year rose two basis points to 3.52%, 15-year down one to 4.69%, 5-year up one to 3.76%, signaling curve stability.

Trump's domestic military shifts, like Memphis task force and Portland federalization amid court blocks, could indirectly volatility commodities impacting Aussie exports, while Nobel pressures add geopolitical noise. Local inflation tick pressures rates higher-for-longer, ahead of Friday's US payrolls forecast at 50,000 with 4.3% unemployment, potentially influencing cross flows.

Capital.com's Rodda flags real economy lag versus AI, HSBC et al. maintain bull on earnings, AI despite stretches. Goldman urges diversification on narrow rallies.

Positioning data suggests trimmed longs per CFTC, prudent amid valuations. Dealers expect unchanged issuance, but Powell's speech could reprice dovish odds.

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