


**Support / Potential "buy" levels**
**\$8,882.**
**Resistance**
**\$9,068.**
**KEY TAKEAWAYS**
**ASX Edges Higher Amid US-Australia Trade Optimism**

Australian shares closed higher on Monday, with the ASX 200 up 0.41%, led by Financials, A-REITs, and IT sectors. Lynas Rare Earths surged 6.70% amid optimism over Australia's push to expand critical mineral exports to the US, while Beach Energy and Zip Co advanced over 4%. Emerald Resources, Iluka, and Greatland Resources fell sharply, and decliners outnumbered gainers 703 to 496. The Australian dollar strengthened to \$0.650 on expectations of a US–Australia trade breakthrough, as Prime Minister Albanese prepares to highlight critical minerals cooperation with President Trump. Domestic investors monitor the RBA closely, with unemployment rising to a near four-year high and bond yields rebounding to 4.15%, supporting speculation of a potential November rate cut despite sticky inflation.

Regional markets rose on easing US–China trade tensions, with Shanghai up 0.5% and Shenzhen 1.5%. Oil fell toward \$57 amid a supply glut, while gold dropped to \$4,230 per ounce. Futures in the US rose ahead of major earnings and CPI data.

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## MARKET MOVERS

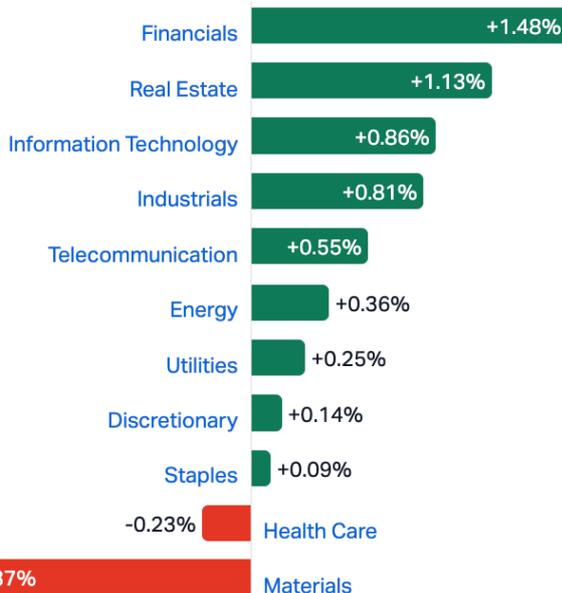
**Australian equities advanced modestly on Monday, with the benchmark ASX 200 closing up 0.41%, buoyed by gains in Financials, A-REITs, and IT stocks. The move higher came as investors weighed optimism surrounding renewed US–Australia trade engagement and potential monetary easing by the Reserve Bank of Australia (RBA) against persistent inflation concerns and a deteriorating domestic labour market.**



At the close in Sydney, the ASX 200 finished at session highs, lifted by broad-based gains across rate-sensitive sectors. Lynas Rare Earths Ltd (ASX:LYC) emerged as the top performer, surging 6.70% or 1.29 points to end at 20.53, driven by optimism over the Albanese government’s push to strengthen Australia’s role in global critical mineral supply chains. Beach Energy Ltd (ASX:BPT) gained 4.59% or 0.05 points to 1.14, while Zip Co Ltd (ASX:ZIP) advanced 4.52% or 0.20 points to close at 4.62 amid renewed appetite for growth stocks.

↓ 2 Sectors Down

↑ 9 Sectors Up



The laggards were led by Emerald Resources NL (ASX:EMR), which slumped 9.35% or 0.52 points to 5.04 after investors booked profits following recent gains. Iluka Resources Ltd (ASX:ILU) fell 6.79% or 0.55 points to 7.55, weighed down by weakness in commodity-linked shares, while Greatland Resources Ltd (ASX:GGP) slid 6.58% or 0.59 points to 8.38. Market breadth reflected a cautious undertone, with decliners outnumbering gainers by 703 to 496, while 367 stocks ended unchanged. The S&P/ASX 200 VIX, a gauge of expected market volatility, declined 10.73% to 12.32, its lowest level in over three months, signaling subdued investor anxiety.

**Currency markets lent further support to sentiment. The Australian dollar firmed to around \$0.650, extending its upward streak as investors bet on improved trade prospects with the United States.**



Crosses	Price	Day	Year	Date
AUDUSD	0.64958	▼ 0.00021 -0.03%	-2.44%	14:09
EURAUD	1.7951	▲ 0.0014 0.08%	10.46%	Oct/20
GBPAUD	2.0654	▼ -0.0013 -0.06%	5.88%	Oct/20
AUDNZD	1.1329	▼ -0.0028 -0.24%	2.54%	Oct/20
AUDJPY	97.8650	▲ 0.0350 0.04%	-2.42%	Oct/20
AUDCNY	4.6270	▼ -0.0042 -0.09%	-2.58%	Oct/20
AUDCHF	0.5157	▲ 0.0003 0.06%	-10.49%	Oct/20
AUDCAD	0.9107	▼ -0.0003 -0.03%	-1.07%	Oct/20

Prime Minister Anthony Albanese is scheduled to meet US President Donald Trump in Washington later this week, where he is expected to pitch Australia’s vast critical mineral reserves as a strategic alternative to China’s supply dominance. The talks could pave the way for a bilateral accord on critical minerals cooperation, part of Canberra’s broader effort to deepen economic alignment with the US under the AUKUS security framework. Albanese is also expected to reaffirm commitments under the pact, which

includes American assistance for Australia in acquiring nuclear-powered submarines.

Domestically, attention is turning to the RBA's tone in upcoming public remarks, as expectations for a rate cut have strengthened following a surprise uptick in the unemployment rate.

**Australia's 10-year bond yield climbed to around 4.15%, rebounding from a six-month low as investors reassessed the central bank's policy trajectory.**



Bonds	Yield	Day	Month	Year	Date
Australia 10Y	4.1650	▲ 0.07%	-0.117%	-0.119%	14:09
Australia 52W	3.40	▲ 0.049%	-0.055%	-0.654%	Oct/20
Australia 20Y	4.77	▲ 0.034%	-0.152%	-0.011%	Oct/20
Australia 2Y	3.35	▲ 0.066%	-0.054%	-0.528%	Oct/20
Australia 30Y	4.87	▲ 0.032%	-0.158%	0.056%	Oct/20
Australia 3Y	3.38	▲ 0.065%	-0.081%	-0.450%	Oct/20
Australia 5Y	3.58	▲ 0.065%	-0.113%	-0.339%	Oct/20
Australia 7Y	3.86	▲ 0.067%	-0.131%	-0.249%	Oct/20

The recent rise in joblessness to its highest level in nearly four years has added pressure on policymakers to ease conditions, but sticky inflation complicates the case for early action. The RBA's latest minutes underscored lingering concern about persistent price pressures, and several officials have hinted that third-quarter inflation may come in above forecasts. Markets are now pricing in a growing probability of a 25bps cut in November, contingent on upcoming data and central bank commentary.

**Regional markets traded broadly higher, supported by signs of easing Sino-US trade frictions. The Shanghai Composite added 0.5% to close near 3,860, while the Shenzhen Component climbed 1.5% to 12,880, snapping a two-day losing streak.**

The advance came after President Donald Trump described his proposed retaliatory tariffs on Chinese goods as "unsustainable," raising hopes that a damaging trade escalation could be averted.



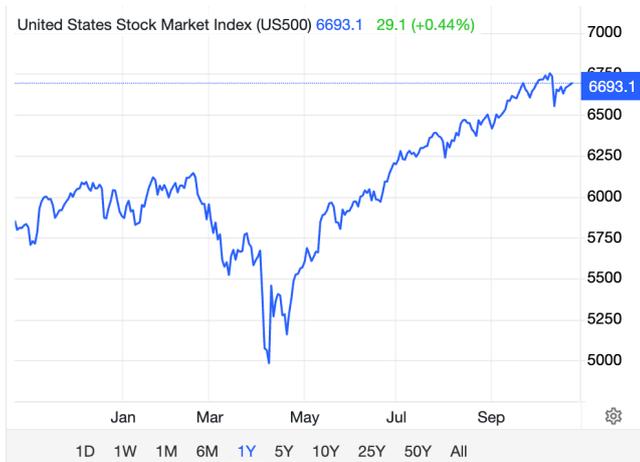
Indexes	Price	Day	Month	Year	Date
HK50	25,861.00	▲ 613.90 2.43%	-1.83%	26.28%	Oct/20
SHANGHAI	3,863.89	▲ 24.13 0.63%	0.92%	18.23%	Oct/20
CSI 300	4,538.22	▲ 23.99 0.53%	0.35%	15.32%	Oct/20
SHANGHAI 50	2,976.75	▲ 8.98 0.30%	1.87%	11.03%	Oct/20
CH50	15,003.84	▲ 104.35 0.70%	-0.08%	11.12%	Oct/20

US Treasury Secretary Scott Bessent and Chinese Vice Premier He Lifeng are due to meet this week to prepare the ground for a potential Trump-Xi summit later this month. Investors digested mixed Chinese data, with GDP growth in the third quarter slowing to its weakest pace in a year, while the People's Bank of China left loan prime rates unchanged as expected. Gains were concentrated in technology and AI-related shares, with Zhongji Innolight, Eoptolink Technology, Victory Giant, Foxconn Industrial, and Cambricon Technologies advancing between 4.5% and 11.2%.

**In the United States, stock futures edged higher in early trading as easing trade tensions helped offset lingering concerns over inflation and the ongoing government shutdown.**

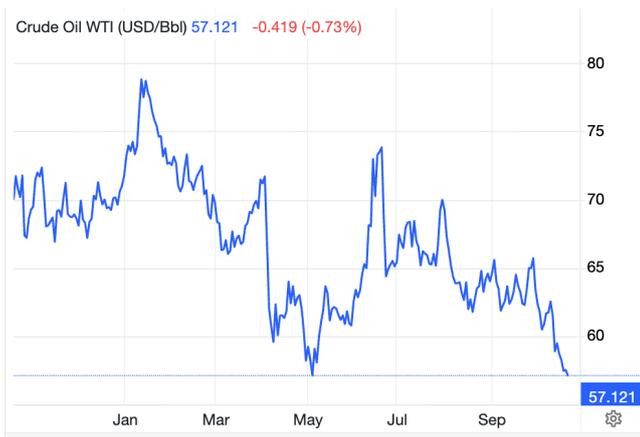
Investors are looking ahead to a busy week of earnings, with results from Netflix, Coca-Cola, Tesla, IBM, and Intel expected to provide clues about corporate resilience amid a slowing economy. The absence of fresh macroeconomic data due to the shutdown has left markets reliant on company reporting for signals on growth momentum. Friday's September CPI release will be closely scrutinised, with forecasts suggesting inflation remains elevated despite signs of cooling consumer demand. Major indices ended last week volatile, whipsawed by renewed trade anxiety,

pressure on regional banks, and profit-taking in AI-linked stocks that had led the year's rally.



Indexes	Price	Day	Month	Year	Date	
US30	46348	▲ 157	0.34%	-0.12%	7.91%	14:10
US400	3,223.89	▲ 7.24	0.23%	-2.57%	0.80%	Oct/17
US2000	2,452.17	▼ -14.84	-0.60%	-0.63%	7.74%	Oct/17
US500	6693.08	▲ 29.07	0.44%	-0.05%	14.28%	14:10
US100	24951	▲ 133	0.54%	0.74%	22.51%	14:10
USVIX	20.78	▼ -4.53	-4.53%	5.08%	2.75%	Oct/17

**Commodities were softer across the board. WTI crude oil futures slid toward US\$57 a barrel, hovering near six-month lows as the prospect of a prolonged global supply surplus weighed on sentiment.**



The International Energy Agency last week raised its 2026 surplus forecast, citing rising output from OPEC+ producers. A partial easing of geopolitical risks in the Middle East further eroded prices, with Israel and Hamas reaffirming their commitment to a ceasefire.

Limiting losses, a Ukrainian drone strike on a major Russian gas-processing facility forced a partial shutdown,

underscoring the market's vulnerability to disruptions. Traders are also monitoring a planned meeting between Presidents Trump and Putin in Hungary, expected to focus on potential pathways to end the conflict in Ukraine.

**Gold retreated sharply, falling to US\$4,230 per ounce, extending losses from Friday's steep sell-off.**



The decline reflected investors' waning demand for havens as US–China trade talks showed tentative progress. Treasury Secretary Bessent and Vice Premier He are scheduled to meet in Malaysia later this week, following Trump's conciliatory remarks on tariffs. Despite the pullback, gold remains up more than 60% year to date, bolstered by sustained central bank buying, robust ETF inflows, and expectations of further US rate cuts. Persistent political uncertainty in Washington—where the federal shutdown has dragged into another week—has continued to underpin longer-term demand. Futures markets now fully price in a 25bps reduction in the federal funds rate at the upcoming Fed meeting, with a further cut anticipated in December.

**In sum, the Australian market's advance on Monday reflected a delicate balance between optimism over international diplomacy and caution over domestic macroeconomic headwinds. Investors remain alert to signals from central banks and trade negotiators alike, with volatility likely to persist as policymakers on both sides of the Pacific attempt to steer fragile economies through a complex mix of inflationary pressures, geopolitical uncertainty, and shifting supply dynamics.**

Regards,  
 Mark Elzayed  
 Investor Pulse

**MARKET DATA**
**ASX Top 20**

 <b>CBA<sup>D</sup>*</b> Commonwealth Bank	172.70 +4.38 +2.60%	 <b>WOW<sup>D</sup>*</b> Woolworths	26.79 +0.07 +0.26%
 <b>BHP<sup>D</sup>*</b> BHP	43.14 -0.46 -1.06%	 <b>TLS<sup>D</sup>*</b> Telstra	4.88 +0.03 +0.62%
 <b>CSL<sup>D</sup>*</b> CSL	217.66 -0.84 -0.38%	 <b>GMG<sup>D</sup>*</b> Goodman Group	33.92 +0.24 +0.71%
 <b>WBC<sup>D</sup>*</b> Westpac Bank	39.27 +0.54 +1.39%	 <b>TCL<sup>D</sup>*</b> Transurban	14.85 +0.09 +0.61%
 <b>NAB<sup>D</sup>*</b> National Australia Bank	43.75 +0.45 +1.04%	 <b>SQ2</b> Block Inc	
 <b>ANZ<sup>D</sup>*</b> ANZ	36.77 +0.16 +0.44%	 <b>ALL<sup>D</sup>*</b> Aristocrat Leisure	64.16 -0.56 -0.87%
 <b>FMG<sup>D</sup>*</b> Fortescue Metals	20.16 -0.02 -0.10%	 <b>NCM</b> Newcrest Mining	
 <b>WES<sup>D</sup>*</b> Wesfarmers	89.69 +0.86 +0.97%	 <b>REA<sup>D</sup>*</b> REA Group	218.68 +2.61 +1.21%
 <b>MQG<sup>D</sup>*</b> Macquarie Group	226.85 +0.09 +0.04%	 <b>WDS<sup>D</sup>*</b> Woodside Energy	22.26 +0.16 +0.72%
 <b>RIO<sup>D</sup>*</b> Rio Tinto	130.71 -0.17 -0.13%	 <b>XRO<sup>D</sup>*</b> Xero	154.59 +0.44 +0.29%



**Commodities & Forex**

 <b>TIO1!<sup>o</sup></b> IRON ORE	 <b>AUDUSD</b> Australian Dollar / U.S. Dollar	0.64951 +0.08% +0.00
 <b>GC1!<sup>o</sup></b> GOLD	 <b>AUDGBP</b> AUSTRALIAN DOLLAR / BRITISH POUND	0.4837 +0.08% +0.0004
 <b>SI1!<sup>o</sup></b> SILVER	 <b>AUDEUR</b> AUSTRALIAN DOLLAR / EURO	0.5571 -0.04% -0.0002
 <b>HG1!<sup>o</sup></b> COPPER	 <b>AUDNZD</b> Australian Dollar / New Zealand Dollar	1.13302 -0.03% -0.00
 <b>ZW1!<sup>o</sup></b> WHEAT	 <b>AUDJPY</b> Australian Dollar / Japanese Yen	97.897 +0.14% +0.13
 <b>CL1!<sup>o</sup></b> CRUDE OIL	 <b>AUDCNY</b> AUSTRALIAN DOLLAR / CHINESE YUAN	4.6261 -0.11% -0.0051
 <b>NG1!<sup>o</sup></b> NATURAL GAS	 <b>AUDTHB</b> AUSTRALIAN DOLLAR / THAI BAHT	21.281 +0.03% +0.007
 <b>NCF1!<sup>o</sup></b> COAL	 <b>AUDIDR</b> AUSTRALIAN DOLLAR / INDONESIAN ...	10,764.9 +0.07% +7.5
 <b>LTH1!<sup>o</sup></b> LITHIUM		



**Economic Calendar**

		 				
<b>October 22</b>						
				Actual	Forecast	Prior
13:00			Core CPI MM <span>∨</span>		0.2%	0.3%
			Core CPI YY <span>∨</span>			3.6%
			CPI MM <span>∨</span>			0.3%
			CPI YY <span>∨</span>			3.8%
			RPI MM* <span>∨</span>		-0.1%	0.4%
			RPI YY* <span>∨</span>		4.7%	4.6%
<b>October 23</b>						
				Actual	Forecast	Prior
19:30			Initial Jobless Clm <span>∨</span>			
21:00			Consumer Confid. Flash * <span>∨</span>		-15 Net balance	-14.9 Net balance
			Existing Home Sales <span>∨</span>			4 M Number of
<b>October 24</b>						
				Actual	Forecast	Prior
19:30			Core CPI MM, SA <span>∨</span>		0.3%	0.3%
			Core CPI YY, NSA <span>∨</span>		3.1%	3.1%
			CPI MM, SA <span>∨</span>		0.4%	0.4%
			CPI YY, NSA <span>∨</span>		3.1%	2.9%