


Support / Potential "buy" levels
\$8,416.
Resistance
\$8,769.
KEY TAKEAWAYS
Australia Stocks Slip as Caution Takes Hold

Australian equities drifted lower on Tuesday, with the ASX 200 slipping 0.45% as traders digested a cautious signal from the Reserve Bank and a soft lead from global markets. Investors appeared reluctant to take on risk, even with a few bright spots such as Austal and DroneShield posting gains. Lynas, Super Retail Group and Life360 pulled hardest on the index, while bond yields climbed towards 4.75% after the RBA held rates at 3.6% and warned that inflation may yet prove stubborn. The Australian dollar firmed to around \$0.663 as markets priced a slower, data-dependent policy path.

Offshore, the tone was similarly unsettled. China's market slipped as Beijing signalled only measured stimulus for 2026, while US futures rose after President Trump approved a deal allowing Nvidia to resume chip shipments to China. Oil dipped below US\$59 and gold eased to US\$4,180 as traders waited for the Federal Reserve's widely expected 25 bp cut and guidance on the year ahead.

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MARKET MOVERS

Australia's equity market slipped on Tuesday as investors absorbed a cautious policy signal from the Reserve Bank and a softer tone across global risk assets.

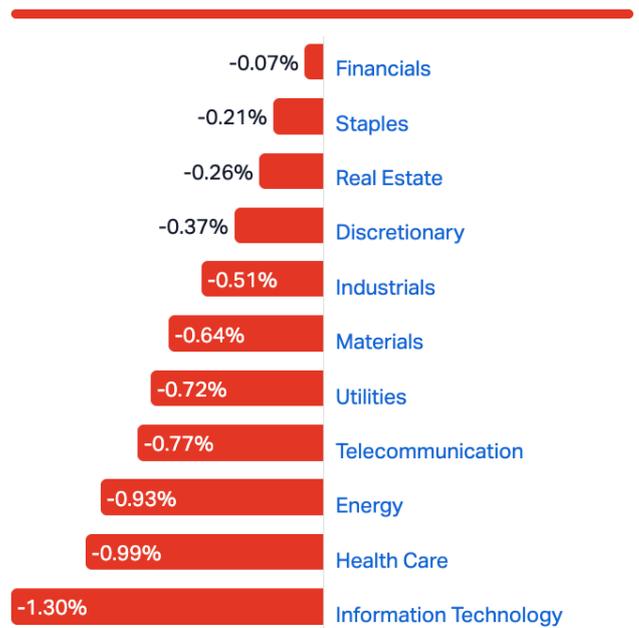


The ASX 200 closed 0.45% lower in Sydney, with losses concentrated in gold miners, technology names and healthcare stocks. Market breadth was notably weak, with decliners outpacing gainers by 710 to 400, while 379 shares finished unchanged. The mood reflected a market adjusting to firmer sovereign yields and a sense that policymakers, both at home and abroad, are preparing investors for a slower, data-dependent year ahead rather than a return to easy gains.

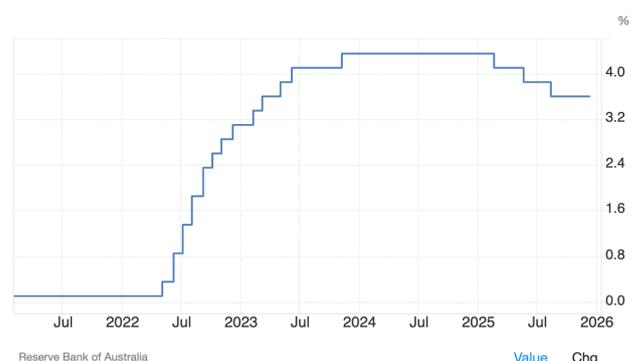
Austral led the day's advances with a 3.90% rise to 6.66, joined by DroneShield, up 3.44% to 1.96, and Mesoblast, which gained 2.93% to close at 2.81. The laggards were more

emblematic of the day's tone: Lynas Rare Earths fell 4.70% to 12.97, Super Retail Group slid 4.37% to 15.55 and Life360 retreated 3.81% to 36.39. Volatility expectations crept higher, with the S&P/ASX 200 VIX gaining 1.51% to 10.53, still subdued by historical standards but signalling a degree of caution as global central banks enter the final stretch of the year.

↓ 11 Sectors Down

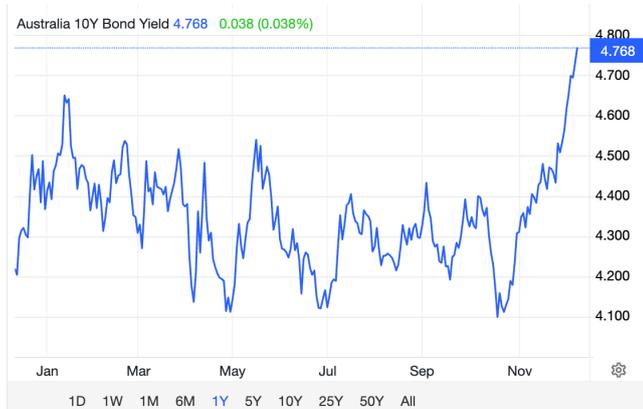


The Reserve Bank of Australia held its cash rate at 3.6% for a third consecutive meeting, a position broadly in line with expectations but delivered with a tone that underscored lingering uncertainty on inflation.



The board described recent price pressures as partly temporary but admitted that early indicators point to broader and more persistent forces at work. Labour conditions were labelled as "a little tight": unemployment has edged higher and hiring has slowed, yet underutilisation remains low and firms continue to struggle to fill roles. Policymakers stressed the need to assess how restrictive the current stance remains, particularly as domestic private-sector momentum has proven stronger than forecast.

Bond markets reacted immediately. The yield on Australia's 10-year government debt rose towards 4.75%, the highest since November 2023, as traders marked down the prospect of near-term easing.



Bonds	Yield	Day	Month	Year	Date
Australia 10Y	4.7680	▲ 0.04%	0.364%	0.550%	14:09
Australia 52W	3.97	▲ 0.073%	0.318%	-0.126%	Dec/09
Australia 20Y	5.24	▲ 0.040%	0.283%	0.578%	Dec/09
Australia 2Y	4.08	▲ 0.079%	0.445%	0.212%	Dec/09
Australia 30Y	5.27	▲ 0.033%	0.243%	0.585%	Dec/09
Australia 3Y	4.16	▲ 0.085%	0.459%	0.343%	Dec/09
Australia 5Y	4.33	▲ 0.062%	0.455%	0.453%	Dec/09
Australia 7Y	4.54	▲ 0.055%	0.412%	0.484%	Dec/09

Market pricing assigns only a 12% probability of a rate hike at the RBA's 3 February meeting, but expectations rise to roughly 50% by May. The shift comes as the Bank warns of upside risks to inflation and urges caution in overinterpreting monthly data. Thursday's labour-market report now looms large as the next inflection point.

The Australian dollar recovered to around \$0.663, reversing losses from the previous session.

Investors viewed the Bank's caution as a mild support for the currency, particularly as the statement pointed to the possibility that price pressures prove more durable. While markets see even odds of another increase by May 2026, economists who once anticipated additional cuts towards 3.35% are increasingly convinced that the easing cycle has ended. Governor Michele Bullock's press conference later today is expected to refine the market's understanding of how the Bank weighs the incoming data flow.



Crosses	Price	Day	Year	Date
AUDUSD	0.66421	▲ 0.00183 0.28%	4.16%	14:09
EURAUD	1.7532	▼ -0.0036 -0.20%	6.21%	Dec/09
GBPAUD	2.0068	▼ -0.0043 -0.21%	0.21%	Dec/09
AUDNZD	1.1482	▲ 0.0010 0.08%	4.40%	Dec/09
AUDJPY	103.6480	▲ 0.3670 0.36%	6.96%	Dec/09
AUDCNY	4.6954	▲ 0.0117 0.25%	1.44%	Dec/09
AUDCHF	0.5354	▲ 0.0009 0.18%	-4.93%	Dec/09
AUDCAD	0.9201	▲ 0.0022 0.24%	1.73%	Dec/09

Sentiment in Asia was uneven. The Shanghai Composite fell 0.2% to just below 3,920, pulling back after a short rally as Beijing signalled a measured approach to stimulus for 2026.

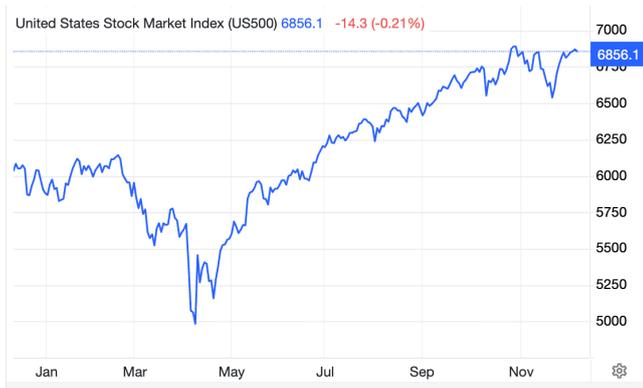


The Politburo emphasised the need to lift domestic demand, but the policy tone suggested authorities remain wary of adding leverage to an economy still processing financial-sector risks. Shares in Zhejiang Sanhua fell 0.9%, East Money dropped 1.3%, Contemporary Amperex eased 0.9%, Zhongfu Straits declined 2.5% and Zijin Mining slid 3.8%.

Geopolitical dynamics added an unexpected twist after US President Donald Trump approved a deal allowing Nvidia to resume shipments of its H200 AI chips to China. Trump said President Xi Jinping had "responded positively" to the arrangement, which will restrict access to "approved customers" and redirect 25% of sales value to the US Treasury. The news rippled through global tech markets and

supported US futures, with Nvidia gaining more than 2% in after-hours trading.

Wall Street enters Tuesday's session with momentum tilted to the upside after a mixed close on Monday, when the Dow eased 0.45%, the S&P 500 slipped 0.35% and the Nasdaq edged down 0.14%.



Technology was the lone gainer among the major sectors. The focus is now squarely on the Federal Reserve's two-day meeting. A 25 bp reduction in the policy rate is widely expected, but discussions in markets centre on the likelihood of a "hawkish cut," where Chair Jerome Powell tempers expectations for further easing in 2026. Investors will parse the Fed's economic projections and Friday's JOLTS job-openings data for clues on labour tightness.

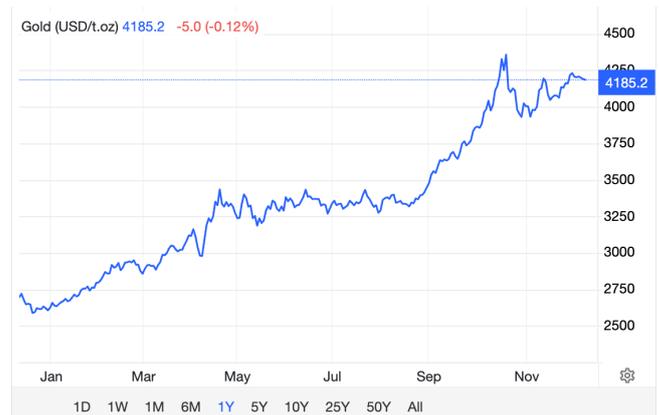
Commodity markets were unsettled. Brent's US counterpart, WTI, traded below US\$59 per barrel after sliding 2% on Monday.



The narrative is increasingly defined by supply dynamics: the IEA and OPEC+ are both due to update their guidance this week, with recent projections suggesting a sizeable surplus emerging in 2026. News that Iraq restored output at Lukoil's West Qurna-2 oilfield, which accounts for 0.5% of global supply, added pressure. These developments have

overshadowed geopolitical concerns, including stalling Ukraine peace efforts and rising tensions between the US and Venezuela. A Fed rate cut could, at the margin, lend support to demand expectations, but traders remain cautious.

Gold edged down to US\$4,180 per ounce as markets await clarity from the Fed.



	Price	Day	Month	Year	Date	
Gold	4185.16	▼ 5	-0.12%	1.63%	55.15%	14:10
Silver	58.003	▼ 0.123	-0.21%	14.87%	81.89%	14:10
Copper	5.2584	▼ 0.0925	-1.73%	3.64%	24.58%	14:10
Steel	3,041.00	▼ 27.00	-0.88%	0%	-8.40%	Dec/09
Lithium	92,750.00	▲ 0	0%	14.86%	21.00%	Dec/09
Platinum	1,645.30	▼ 11.40	-0.69%	3.99%	74.33%	Dec/09
Iron Ore	106.42	▼ 0.82	-0.76%	2.36%	0.08%	Dec/08

The metal's nearly 60% rise this year reflects persistent central-bank buying, robust ETF inflows and ongoing demand for havens. China's central bank increased its holdings for the 13th consecutive month, taking reserves to 74.12 million troy ounces, a figure emblematic of a global trend among emerging-market institutions seeking insulation against currency volatility and geopolitical risk. Yet even this powerful structural demand was not enough to offset pre-Fed profit-taking, and traders expect limited conviction until Powell outlines the central bank's path for early 2026.

Regards,
 Mark Elzayed
 Investor Pulse

MARKET DATA
ASX Top 20

 CBA^D Commonwealth Bank	154.53 -0.89 -0.57%	 WOW^D Woolworths	29.32 +0.04 +0.14%
 BHP^D BHP	44.30 -0.17 -0.38%	 TLS^D Telstra	4.92 -0.03 -0.61%
 CSL^D CSL	181.82 -3.68 -1.98%	 GMG^D Goodman Group	29.28 -0.38 -1.28%
 WBC^D Westpac Bank	38.03 -0.21 -0.55%	 TCL^D Transurban	14.87 -0.06 -0.40%
 NAB^D National Australia Bank	41.01 +0.41 +1.01%	 SQ2 Block Inc	
 ANZ^D ANZ	35.16 +0.09 +0.26%	 ALL^D Aristocrat Leisure	58.17 +0.42 +0.73%
 FMG^D Fortescue Metals	22.45 +0.37 +1.68%	 NCM Newcrest Mining	
 WES^D Wesfarmers	80.51 -0.08 -0.10%	 REA^D REA Group	191.81 -2.07 -1.07%
 MQG^D Macquarie Group	194.91 -1.80 -0.92%	 WDS^D Woodside Energy	24.90 -0.30 -1.19%
 RIO^D Rio Tinto	137.03 -0.15 -0.11%	 XRO^D Xero	117.29 -0.84 -0.71%



Commodities & Forex

 TIO1! IRON ORE	 AUDUSD Australian Dollar / U.S. Dollar	0.66423 +0.28% +0.00
 GC1! GOLD	 AUDGBP AUSTRALIAN DOLLAR / BRITISH POUND	0.4979 +0.22% +0.0011
 SI1! SILVER	 AUDEUR AUSTRALIAN DOLLAR / EURO	0.5702 +0.19% +0.00
 HG1! COPPER	 AUDNZD Australian Dollar / New Zealand Dollar	1.14822 +0.19% +0.00
 ZW1! WHEAT	 AUDJPY Australian Dollar / Japanese Yen	103.661 +0.38% +0.40
 CL1! CRUDE OIL	 AUDCNY AUSTRALIAN DOLLAR / CHINESE YUAN	4.6953 +0.26% +0.01
 NG1! NATURAL GAS	 AUDTHB AUSTRALIAN DOLLAR / THAI BAHT	21.165 +0.25% +0.05
 NCF1! COAL	 AUDIDR AUSTRALIAN DOLLAR / INDONESIAN ...	11,074.4 +0.19% +21.10
 LTH1! LITHIUM		



Economic Calendar

		Actual	Forecast	Prior
 				
December 9				
22:00	 	JOLTS Job Openings ∨	7.15 MPerson	
December 10				
08:30	 	CPI MM * ∨	0.2%	0.2%
		CPI YY * ∨	0.7%	0.2%
		PPI YY * ∨	-2%	-2.1%
14:00	 	FDI (YTD)* ∨		-10.3%
December 11				
02:00	 	Fed Funds Tgt Rate ∨	3.625%	
07:30	 	Unemployment Rate ∨	4.4%	4.3%
20:30	 	Initial Jobless Clm * ∨	220 KPerson	191 KPerson
December 15				
09:00	 	Industrial Output YY ∨	5%	4.9%
		Retail Sales YY ∨	2.9%	2.9%
December 16				
14:00	 	ILO Unemployment Rate* ∨		5%
20:30	 	Building Permits: Number ∨	1.349 MNumber of	