

for the Reserve Bank, with investors now projecting any further tightening to the second half of 2026 rather than early next year. Policymakers have maintained that the jobs market remains tight, citing high vacancy rates, persistent staffing shortages and elevated labour costs as evidence the economy is still operating close to full employment. Market attention now turns to next week's PMI data for further direction. The softer US dollar added support after the Federal Reserve's latest 25 bp reduction and a press conference that markets judged less hawkish than expected.

Australian government bonds advanced, pushing the 10-year yield down to 4.73% after flirting with levels last seen more than two years ago.



| Bonds | Yield | Day | Month | Year | Date |
|---------------|--------|-----------|--------|---------|--------|
| Australia 10Y | 4.7340 | ▲ 0.01% | 0.307% | 0.420% | 14:05 |
| Australia 52W | 3.93 | ▲ 0.008% | 0.235% | -0.191% | Dec/12 |
| Australia 20Y | 5.20 | ▲ 0.010% | 0.263% | 0.432% | Dec/12 |
| Australia 2Y | 4.03 | ▼ -0.004% | 0.294% | 0.108% | Dec/12 |
| Australia 30Y | 5.23 | ▲ 0.012% | 0.224% | 0.438% | Dec/12 |
| Australia 3Y | 4.12 | ▲ 0.001% | 0.308% | 0.247% | Dec/12 |
| Australia 5Y | 4.28 | ▲ 0.005% | 0.325% | 0.342% | Dec/12 |
| Australia 7Y | 4.50 | ▲ 0.023% | 0.317% | 0.364% | Dec/12 |

The reassessment followed the labour market print, which contrasted sharply with October's 41,100 increase and wrong-footed consensus forecasts for a 20,000 gain. Traders now assign only a 23% chance of a February rate rise, with the likelihood of a May move falling to 70% from nearly full pricing earlier in the week. The report arrived days after the RBA held the cash rate at 3.6%, signalling caution on cutting too soon but acknowledging the possibility of further tightening as inflation pressures re-emerge. The data has tempered these expectations, shifting market focus back to the pace at which demand cools across the broader economy.

Across the region, China's equity markets delivered a muted close.

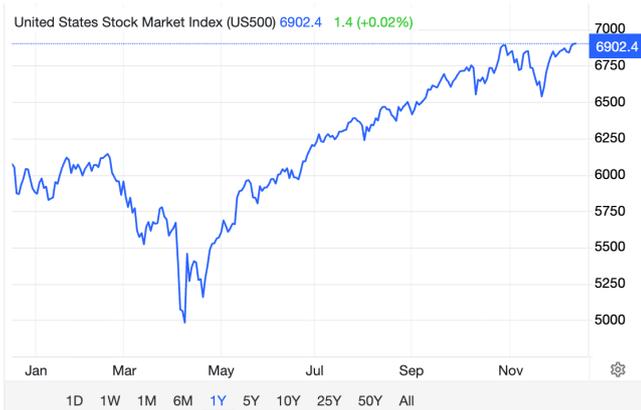


| Indexes | Price | Day | Month | Year | Date | |
|-------------|-----------|----------|-------|--------|--------|--------|
| HK50 | 25,942.00 | ▲ 411.49 | 1.61% | -4.18% | 29.90% | Dec/12 |
| SHANGHAI | 3889 | ▲ 16 | 0.41% | -3.56% | 14.57% | 14:02 |
| CSI 300 | 4,575.94 | ▲ 23.76 | 0.52% | -2.68% | 16.34% | Dec/12 |
| SHANGHAI 50 | 2,990.75 | ▲ 13.72 | 0.46% | -2.70% | 13.37% | Dec/12 |
| CH50 | 15,232.26 | ▲ 26.55 | 0.17% | -2.28% | 14.24% | Dec/12 |

The Shanghai Composite slipped 0.3% to around 3,860, while the Shenzhen Component added 0.5% to 13,213. Beijing's annual economic planning meeting offered little to stir conviction, reiterating fiscal support and a steady hand on monetary policy rather than fresh stimulus. Investors appeared unmoved by the pledges to spur consumption and investment, waiting instead for concrete growth targets that will be unveiled after March's parliamentary session. Tech names traded unevenly, with Eoptolink up 2.2%, Addisino and Sai MicroElectronics each gaining 6.9%. Losses in Suzhou TFC Optical, Moore Threads and Foxconn Industrial weighed on broader sentiment.

US equity futures were mixed as investors digested earnings releases. Futures on the Dow inched 0.1% higher, while the S&P 500 and Nasdaq 100 eased by 0.1% and 0.2%.

After the bell, Broadcom slid nearly 5% despite delivering results ahead of expectations and issuing strong guidance, suggesting that valuations rather than fundamentals may be the market's hurdle. Lululemon rallied more than 10% after announcing the departure of its chief executive following a difficult year. In the prior session, a shift from high-value tech and AI names into cyclicals helped the Dow and S&P 500 notch fresh records, rising 1.34% and 0.21%, while the Nasdaq slipped 0.25%.



| Indexes | Price | | Day | Month | Year | Date | |
|---------|----------|---|-------|--------|--------|--------|--------|
| US30 | 48826 | ▲ | 122 | 0.25% | 2.88% | 11.39% | 14:05 |
| US400 | 3,395.15 | ▲ | 32.97 | 0.98% | 3.70% | 3.06% | Dec/11 |
| US2000 | 2,590.61 | ▲ | 31.00 | 1.21% | 5.70% | 9.72% | Dec/11 |
| US500 | 6902.35 | ▲ | 1.35 | 0.02% | 2.45% | 14.07% | 14:05 |
| US100 | 25669 | ▼ | 18 | -0.07% | 2.70% | 17.86% | 14:05 |
| USVIX | 14.85 | ▼ | -0.92 | -0.92% | -2.66% | 0.93% | Dec/11 |

Oil markets steadied, with WTI crude holding near US\$58 per barrel but still heading for a weekly decline of more than 3%. The International Energy Agency's latest assessment reinforced expectations of a supply surplus, pointing to inventories at their highest in four years.

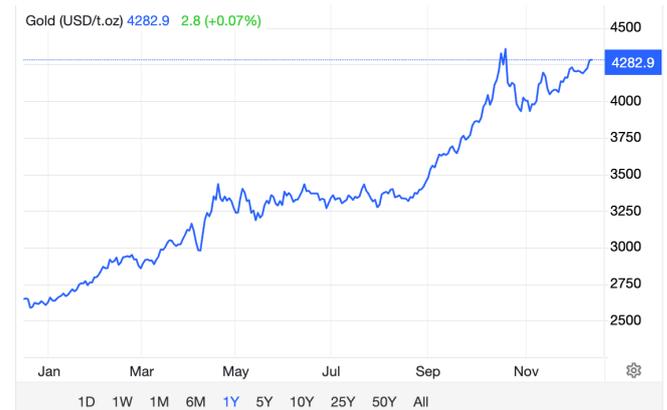


| | Price | | Day | Month | Year | Date | |
|-------------|--------|---|--------|--------|--------|---------|--------|
| Crude Oil | 57.963 | ▲ | 0.363 | 0.63% | -1.24% | -18.70% | 14:05 |
| Brent | 61.634 | ▲ | 0.354 | 0.58% | -2.19% | -17.26% | 14:05 |
| Natural gas | 4.2048 | ▼ | 0.0262 | -0.62% | -9.54% | 28.14% | 14:05 |
| Gasoline | 1.7706 | ▲ | 0.003 | 0.17% | -9.98% | -11.24% | 14:05 |
| Heating Oil | 2.2460 | ▲ | 0.0171 | 0.77% | -8.90% | -0.91% | 14:05 |
| Coal | 108.75 | ▼ | -0.65 | -0.59% | -0.68% | -18.23% | Dec/11 |
| Ethanol | 1.60 | ▲ | 0.0175 | 1.11% | -8.99% | 1.59% | Dec/11 |
| Urals Oil | 51.94 | ▼ | -0.40 | -0.76% | -6.73% | -23.38% | Dec/11 |

OPEC's projections for 2026 remained intact, projecting a more balanced market trajectory. Geopolitics continued to

frame sentiment, with the US seizure of a sanctioned Venezuelan tanker drawing sharp criticism from Caracas and renewed attention on the country's 586,000 bpd of exports, largely destined for China. Ukraine's latest strike on a tanker linked to Russia's shadow fleet marked the fifth such incident since late November, even as Washington maintains pressure for a ceasefire.

Gold prices traded around US\$4,270 per ounce, holding near a seven-week high as investors recalibrated expectations for the Fed after a run of soft labour data.



| | Price | | Day | Month | Year | Date | |
|----------|-----------|---|--------|--------|--------|---------|--------|
| Gold | 4282.87 | ▲ | 2.84 | 0.07% | 2.66% | 61.74% | 14:06 |
| Silver | 63.571 | ▲ | 0.031 | 0.05% | 21.64% | 108.82% | 14:06 |
| Copper | 5.4182 | ▲ | 0.0048 | 0.09% | 7.42% | 30.74% | 14:06 |
| Steel | 3,043.00 | ▼ | -3.00 | -0.10% | -0.16% | -7.42% | Dec/12 |
| Lithium | 94,500.00 | ▲ | 1000 | 1.07% | 12.03% | 23.69% | Dec/12 |
| Platinum | 1,710.40 | ▲ | 4.40 | 0.26% | 8.29% | 85.39% | Dec/12 |
| Iron Ore | 106.21 | ▼ | -0.45 | -0.42% | 1.96% | 0.68% | Dec/11 |

US jobless claims for the week of December 6 were higher than forecast and reached a two-month peak, bolstering the view that economic momentum is easing. With the Fed striking a softer tone after its third 25 bp cut this year and signalling that further hikes are unlikely, markets now expect two cuts in 2026, outpacing the central bank's own projections. The Fed's decision to purchase about \$40 billion in short-term Treasury bills to ease money market strains has further pulled down short-end yields, lending support to precious metals as the week closes.

Regards,
Mark Elzayed
Investor Pulse

MARKET DATA
ASX Top 20

| | | | |
|---|------------------------|--|------------------------|
|  CBA^D Commonwealth Bank | 155.96 +3.22 +2.11% |  WOW^D Woolworths | 29.56 +0.17 +0.58% |
|  BHP^D BHP | 45.59 +0.49 +1.09% |  TLS^D Telstra | 4.87 -0.01 -0.20% |
|  CSL^D CSL | 183.93 +5.12 +2.86% |  GMG^D Goodman Group | 29.44 +0.24 +0.82% |
|  WBC^D Westpac Bank | 38.80 +0.54 +1.41% |  TCL^D Transurban | 14.65 +0.03 +0.21% |
|  NAB^D National Australia Bank | 42.13 +0.75 +1.81% |  SQ2 Block Inc | |
|  ANZ^D ANZ | 35.81 +0.42 +1.19% |  ALL^D Aristocrat Leisure | 56.71 -0.18 -0.32% |
|  FMG^D Fortescue Metals | 22.98 +0.24 +1.06% |  NCM Newcrest Mining | |
|  WES^D Wesfarmers | 80.62 -0.40 -0.49% |  REA^D REA Group | 188.09 +0.09 +0.05% |
|  MQG^D Macquarie Group | 201.57 +5.22 +2.66% |  WDS^D Woodside Energy | 24.73 -0.02 -0.08% |
|  RIO^D Rio Tinto | 143.40 +3.45 +2.47% |  XRO^D Xero | 112.84 -0.52 -0.46% |

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Commodities & Forex

| | | |
|--|---|-----------------------------|
|  TIO1! IRON ORE |  AUDUSD Australian Dollar / U.S. Dollar | 0.66627 -0.02% -0.00 |
|  GC1! GOLD |  AUDGBP AUSTRALIAN DOLLAR / BRITISH POUND | 0.4976 +0.04% +0.0002 |
|  SI1! SILVER |  AUDEUR AUSTRALIAN DOLLAR / EURO | 0.5677 +0.02% +0.0001 |
|  HG1! COPPER |  AUDNZD Australian Dollar / New Zealand Dollar | 1.14690 +0.05% +0.00 |
|  ZW1! WHEAT |  AUDJPY Australian Dollar / Japanese Yen | 103.722 +0.09% +0.09 |
|  CL1! CRUDE OIL |  AUDCNY AUSTRALIAN DOLLAR / CHINESE YUAN | 4.6999 -0.07% -0.0032 |
|  NG1! NATURAL GAS |  AUDTHB AUSTRALIAN DOLLAR / THAI BAHT | 21.077 -0.01% -0.002 |
|  NCF1! COAL |  AUDIDR AUSTRALIAN DOLLAR / INDONESIAN ... | 11,084.5 -0.07% -8.3 |
|  LTH1! LITHIUM | | |

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Economic Calendar

| | | Actual | Forecast | Prior |
|---|---|---|--|------------------|
|   | | | | |
| December 15 | | | | |
| 09:00 |  |  | Industrial Output YY <input type="text" value="5%"/> | 4.9% |
| | |  | Retail Sales YY <input type="text" value="2.8%"/> | 2.9% |
| December 16 | | | | |
| 14:00 |  |  | ILO Unemployment Rate* <input type="text" value="5%"/> | 5% |
| 20:30 |  |  | Building Permits: Number <input type="text" value="1.336 MNumber of"/> | 1.312 MNumber of |
| | |  | Non-Farm Payrolls <input type="text" value="35 KPerson"/> | |
| | |  | Retail Sales MM <input type="text" value="0.2%"/> | 0.2% |
| | |  | Unemployment Rate <input type="text" value="4.4%"/> | |
| 21:45 |  |  | S&P Global Comp PMI Flash <input type="text" value="54.8Index (diffusion)"/> | |
| December 17 | | | | |
| 14:00 |  |  | Core CPI MM <input type="text" value="0.3%"/> | 0.3% |
| | |  | Core CPI YY <input type="text" value="3.4%"/> | 3.4% |
| | |  | CPI MM <input type="text" value="0.4%"/> | 0.4% |
| | |  | CPI YY <input type="text" value="3.6%"/> | 3.6% |
| | |  | RPI MM* <input type="text" value="0.3%"/> | 0.3% |