



INVESTMENT INSIGHTS

OCTOBER 2025

Mackay Private Wealth

OVERVIEW

EMERGING MARKETS AND GOLD LEAD THE WAY

Markets delivered a mixed performance in September. Global equities posted solid gains, while Australian shares edged lower. Emerging Markets stole the spotlight, rising 7.1 percent in USD terms, with Asia driving the rally thanks to strong momentum in technology and semiconductor stocks.

Bond markets were quiet, showing only minor movements. Commodities told a more dynamic story, with Gold surging 11.4 percent and reinforcing its role as a safe haven. Other commodity prices were more subdued.

Central banks took different paths. The US Federal Reserve lowered interest rates by 25 basis points, signalling a more accommodative stance. Meanwhile, the Reserve Bank of Australia held rates steady, reflecting local economic conditions.

Investor sentiment improved on the back of clearer policy signals and resilient corporate fundamentals (e.g. earnings). However, geopolitical tensions and uneven global growth continue to cast a shadow over the outlook. With monetary policy still supportive across major economies, staying patient and flexible, while remaining anchored in fundamentals, is key.



KEY MARKET DEVELOPMENTS

Global Equities

Global markets advanced. US indices posted solid gains, led by tech and telecom. European equities rose, with the Euro 100 up 4.4 percent. Emerging markets outperformed, driven by AI and semiconductor strength, with South Korea and Taiwan leading.

Australian Equities

Australian shares retreated in September, down 0.5 percent from August's record high. Losses were broad-based, led by energy (–10 percent) and financials, with major banks under pressure from rate and sentiment concerns. Gold producers outperformed, and small caps rose strongly, with the S&P/ASX Small Ordinaries Index up 3.4 percent.

Bond Markets

US yields eased on soft labour data. Australian yields rose slightly on stronger inflation.

Commodities

Gold surged 11.4 percent, its best month in 14 years. Oil fell 1.8 percent due to oversupply and weak demand.

Monetary Policy

The RBA held rates at 3.6 percent amid stronger inflation and rising private demand. The US Fed cut rates by 0.25 percent, citing slowing momentum. Policy uncertainty persists, with US labour market risks and geopolitical tensions.



WHAT'S CAUGHT OUR EYE

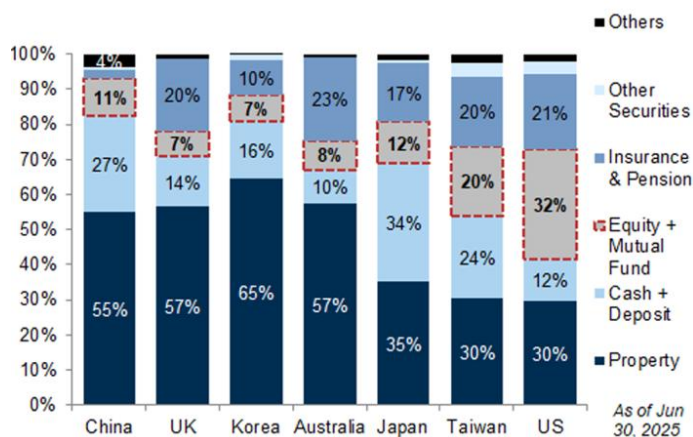
The Wealth Effect

Household wealth varies across regions.

In the U.S., it is closely tied to stock market performance, while in Australia property values dominate. This helps explain stronger-than-expected consumer spending.

Rising asset prices, whether equities in the U.S. or property in Australia, boost confidence and encourage spending.

Composition of Household Total Assets



Source: Goldman Sachs Global Investment Research, August 2025

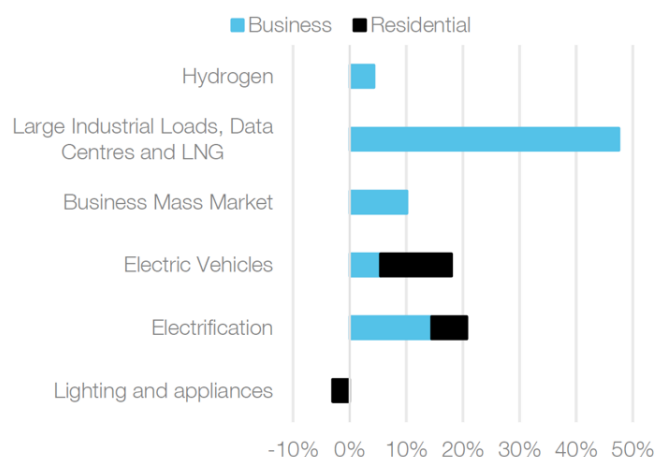
Energy Demand Accelerates

Electricity consumption is projected to climb sharply over the next five years.

Large industrial loads, particularly data centres, are expected to deliver the biggest increase in consumption from 2025 to 2030.

Rapid electrification and accelerating EV adoption across homes and businesses will add further momentum through the decade.

Change in Electricity Consumption: FY26 to FY30



Source: CBA Sustainable Economics, October 2025

MAJOR MARKETS

PERIODIC DATA

	30-Sep-25	31-Aug-25	31-Jul-25	Quarter change	1 year change
Interest Rates (at close of period)					
Aus 90 day Bank Bills	3.58%	3.61%	3.68%	-11.0	-84.0
Aus 10yr Bond	4.31%	4.28%	4.29%	+10.4	+39.0
US 90 day T Bill	3.86%	4.05%	4.24%	-38.0	-66.0
US 10 yr Bond	4.15%	4.22%	4.36%	-8.2	+35.8
Currency (against AUD)					
US Dollar	0.663	0.655	0.644	1.13%	-4.47%
British Pound	0.492	0.484	0.488	3.02%	-5.06%
Euro	0.563	0.560	0.566	0.72%	-9.38%
Japanese Yen	97.81	96.20	96.85	3.26%	-1.52%
Trade-Weighted Index	61.30	60.50	60.30	2.00%	-2.39%
Equity Markets					
Australian All Ordinaries	-0.5%	3.2%	2.6%	5.3%	10.5%
MSCI Australia Value (AUD)	-1.6%	4.4%	2.9%	5.7%	10.1%
MSCI Australia Growth (AUD)	-2.0%	-2.9%	1.0%	-3.9%	5.4%
S&P 500 (USD)	3.6%	2.0%	2.2%	8.1%	17.6%
MSCI US Value (USD)	1.8%	2.8%	0.5%	5.2%	8.5%
MSCI US Growth (USD)	5.3%	1.3%	3.9%	10.8%	27.6%
MSCI World (USD)	3.3%	2.6%	1.3%	7.4%	17.7%
Nikkei (YEN)	5.9%	4.1%	1.4%	11.8%	20.8%
CSI 300 (CNY)	3.3%	10.5%	4.3%	19.1%	18.6%
FTSE 100 (GBP)	1.8%	1.2%	4.3%	7.5%	17.5%
DAX (EUR)	-0.1%	-0.7%	0.7%	-0.1%	23.6%
Euro 100 (EUR)	4.4%	0.6%	1.0%	6.1%	15.5%
MSCI Emerging Markets (USD)	7.2%	1.5%	2.0%	10.9%	18.2%
Commodities					
Iron Ore (USD)	-0.7%	3.6%	6.5%	9.6%	-7.9%
Crude Oil WTI U\$/BBL	-1.8%	-8.5%	6.1%	-4.7%	-8.1%
Gold Bullion \$/t oz	11.4%	4.4%	0.4%	16.7%	45.6%

Source: Quilla, Refinitiv Datastream



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