Market Daily Update

21 AUGUST 2026

Interest Rates		
Australia		Δ bp
90-day Bill	4.49	-1
3-year Bond	4.55	1
10-year Bond	5.04	2
US		
2-year	4.18	1
10-year	4.70	6
Other 10-year		
Japan	2.89	4
Germany	3.26	0
UK	5.07	2

FX		
AUD/USD	0.7124	0.0%
AUD/JPY	113.32	0.5%
AUD/EUR	0.6097	0.0%
AUD/GBP	0.5222	-0.3%
AUD/NZD	1.1958	-0.3%
AUD/CNY	4.7822	-0.2%
EUR/USD	1.1687	0.1%
USD/JPY	159.06	0.5%
USD/CNY	6.7250	-0.1%

RBA Policy	
O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Sep	8.0%
RBA Bond Holdings (31 Jul)	A$227.4b

Commodities		
WTI Crude Oil	86.13	$0.32
Brent Crude Oil	93.11	$1.24
Mogas95*	113.57	$2.03
CRB Index	403.41	3.23
Gold	4514.42	$3.53
Silver	68.02	$0.97
Iron Ore (61% Fe)**	95.85	-$0.25
Iron Ore (26-27 Average)	97.16	-$0.04
Copper	14036.50	-$13.00

Equities		
ASX200	9064	-25
Dow Jones	52759	-704
S&P500	7641	-67
Stoxx600	650	-1
CSI300	4593	4

*Mogas95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.
**Iron ore is the second SGX futures contract.

Wall Street's declines resumed last night, while oil prices and US Treasury yields rose, as US President Donald Trump hinted at escalating third-party sanctions on countries maintaining economic ties with Iran.

The rise in US yields may have been partly contained by US Treasury Secretary Scott Bessent's warning that his department could increase bond buybacks beyond the expanded scope announced on Wednesday night.

The Australian dollar is little changed against the greenback and euro, but appreciated versus the weaker Japanese yen. Commonwealth bond yields rose by less than their US equivalents.

The ASX 200 gained 0.3% yesterday, supported by strong advances in materials and information technology, although most sectors closed in the red. The Aussie share market opened slightly lower this morning.

Data-wise, US initial jobless claims eased to 206k last week, while continuing claims approached 1.8m in the week ending 8 August.

In Australia, seasonally adjusted employment unexpectedly declined by 15.8k in July, following an upwardly revised gain of 80.2k. Looking through month-to-month volatility, trend employment growth accelerated slightly to 29.3k. The unemployment rate unexpectedly rose by 0.1ppts to a still-low 4.5% in both seasonally adjusted and trend terms.

Melbourne Institute consumer inflation expectations rose by 0.2ppts to 4.9% in August, most likely reflecting the expiry of the fuel excise cut. Despite the increase, inflation expectations remained well below their recent high of 5.9% in April.

The Australian S&P Global Composite PMI declined by 0.7pts to 52.5 (above 50 indicates expansion), dragged down by a slowdown in services (-0.7pts to 52.9), while the manufacturing PMI held steady at 52.0. The report pointed to slower job creation and the weakest output price inflation since the start of the year, despite ongoing increases in fuel, freight, commodity and raw material costs.

In central bank news, the People's Bank of China announced that the five-year loan prime rate, the benchmark for new mortgages, was unchanged at a record low of 3.50%. The one-year loan prime rate, a benchmark for personal and business loans, was also steady at 3.00%. In Europe, the Swedish Riksbank kept its policy rate unchanged at 1.75%.

Economic Data Review

- **AU:** Employment (monthly change, Jul) – Actual -15.8k, Expected 12.0k, Previous 80.2k (revised).
- **AU:** Unemployment Rate (Jul) – Actual 4.5%, Expected 4.4%, Previous 4.4%.
- **AU:** Melbourne Institute Consumer Inflation Expectations (Aug) – Actual 4.9%, Previous 4.7%.
- **AU:** S&P Global Composite PMI (Aug, flash) – Actual 52.5, Previous 53.2.
- **US:** Initial Jobless Claims (w/e 15 Aug) – Actual 206k, Expected 210k, Previous 212k (revised).

Economic Data Preview

- **JP:** S&P Global Composite PMI (Aug, flash) – Previous 52.7.
- **JP:** CPI (YoY, Jul) – Expected 1.9%, Previous 1.6%.
- **EZ:** S&P Global Composite PMI (Aug, flash) – Expected 51.7, Previous 52.0.
- **UK:** S&P Global Composite PMI (Aug, flash) – Expected 51.6, Previous 52.2.
- **US:** S&P Global Composite PMI (Aug, flash) – Expected 53.9, Previous 54.5.