Market Daily Update

12 MARCH 2026

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7125	0.0%	WTI Crude Oil	92.79	$7.13
90-day Bill	4.18	3	AUD/JPY	113.43	0.7%	Brent Crude Oil	97.40	$9.60
3-year Bond	4.59	9	AUD/EUR	0.6178	0.7%	Mogas95*	123.45	$12.87
10-year Bond	4.98	10	AUD/GBP	0.5328	0.4%	CRB Index	354.97	6.94
			AUD/NZD	1.2088	0.6%	Gold	5138.89	-$55.57
			AUD/CNY	4.9146	0.3%	Silver	84.87	-$3.53
US			EUR/USD	1.1535	-0.7%	Iron Ore (61% Fe)**	104.50	$1.05
2-year	3.68	9	USD/JPY	159.20	0.7%	Iron Ore (25-26 Average)	102.95	$0.01
10-year	4.24	9	USD/CNY	6.8741	0.1%	Copper	13042.00	-$98.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.85	ASX200	8612	-111
Other 10-year			Interbank O/N Cash Rate		3.85	Dow Jones	47417	-289
Japan	2.19	-1	Probability of a 25bps Hike in Mar		79.7%	S&P500	6776	-6
Germany	2.93	10	RBA Bond Holdings (27 Feb)		A$250.0b	Stoxx600	603	-4
UK	4.69	13				CSI300	4705	30

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

The further escalation of the Middle Eastern conflict saw US equities decline slightly overnight, while government bond yields generally picked up and oil prices resumed climbing, despite the International Energy Agency announcing the largest release of oil stocks on record. The US dollar appreciated further.

Three merchant ships are reported to have been attacked in the vicinity of the Strait of Hormuz overnight, and at least one major oil facility in the United Arab Emirates was targeted. In addition, Iran reportedly made attempts to lay mines in the Strait of Hormuz, but – according to the available reports – the mine-laying boats were destroyed.

In any case, the 400 million barrels oil stock release by the International Energy Agency is equivalent to four days of daily oil consumption (estimated at around 100 million barrels) and covers around 20 days of oil that typically passes through the Strait of Hormuz (up to 20 million barrels a day). In addition, the timing and pace of the release remains unknown.

The declines on Wall Street followed losses in Europe and mixed results in the Asia-Pacific region. The ASX 200 rose by 0.6% yesterday, with results mixed across sectors, but opened sharply lower this morning.

The probability of a 25-basis points cash rate hike next week rose further to above 70%, after all of the ‘Big Four’ major domestic commercial banks started to call for such a move. These banks are also calling for a 25-basis point hike in May. Commonwealth bond yields rose broadly in line with their US equivalents, but are now at their highest levels since 2011.

The intensification of cash rate hike expectations, alongside the rise in commodity prices overnight, has lifted the Australian dollar yesterday. The AUD/USD temporarily reached its highest level since mid-2022, while the AUD/JPY climbed to a fresh multidecade high. However, the AUD appears to be again adversely affected by a re-deterioration in global market sentiment this morning, with the AUD/USD largely back to its levels from yesterday morning.

From domestic data releases, the Commonwealth Bank household spending indicator suggested a 0.5% fall in consumer spending in February, the first one since September 2024, with declines in six out of 12 categories. The strongest fall was recorded in utilities, most likely due to the impacts of energy bill relief measures, while health and household services saw the strongest gains.

From global data, US CPI rose by 0.3% in February, while the annual rate of inflation remained at 2.4%, in line with market expectations. Core CPI, which excludes food and energy, picked up by 0.2% MoM and 2.4% YoY, the same as a month ago, which was also consistent with the market consensus.

Developments in price components feeding into US PCE inflation, which is targeted by the FOMC, suggest a slight upside to the current market consensus. The market continues to trim its expectations for a fed funds rate cut, which is currently not fully priced in until December.

Economic Data Review

- **US:** CPI (MoM, Feb) – Actual 0.3%, Expected 0.3%, Previous 0.2%.

Economic Data Preview

- **US:** Initial Jobless Claims (w/e 7 Mar) – Expected 215k, Previous 213k.