Market Daily Update

14 AUGUST 2026

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7062	0.0%	WTI Crude Oil	81.30	-$1.14
90-day Bill	4.51	0	AUD/JPY	112.58	0.1%	Brent Crude Oil	87.10	-$1.16
3-year Bond	4.49	-2	AUD/EUR	0.6122	0.0%	Mogas95*	108.29	$0.19
10-year Bond	4.97	-2	AUD/GBP	0.5233	0.0%	CRB Index	388.37	-4.82
			AUD/NZD	1.2059	0.1%	Gold	4343.61	-$90.30
			AUD/CNY	4.7597	-0.1%	Silver	64.39	-$1.70
US			EUR/USD	1.1537	0.1%	Iron Ore (61% Fe)**	95.80	$0.05
2-year	4.14	-4	USD/JPY	159.41	0.1%	Iron Ore (26-27 Average)	97.36	-$0.06
10-year	4.64	-4	USD/CNY	6.7441	0.0%	Copper	14148.50	$16.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	9121	-71
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	53840	70
Japan	2.86	1	Probability of a 25bps Hike in Sep		0.0%	S&P500	7799	50
Germany	3.13	-3	RBA Bond Holdings (31 Jul)		A$227.4b	Stoxx600	659	0
UK	4.95	-2				CSI300	4664	-27

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

Scaling back expectations for fed funds rate hikes following the downside surprise in US PPI inflation drove the S&P 500 to fresh record highs overnight, while US Treasury yields declined. The probability of a 25bps fed funds rate hike in 2026 eased to around 90%, although such a move remains fully priced in for early 2027. This followed mixed results in Europe and declines across most of the Asia-Pacific region.

The ASX 200 edged down 0.2% yesterday, with gains and losses almost evenly split across sectors, before declining sharply this morning. Commonwealth bond yields fell less than their US equivalents, while the Australian dollar was little changed against the major currencies.

US PPI surprised to the downside in July, remaining flat against market expectations of a 0.2% increase. However, the previous month's decline was less pronounced than initially estimated (-0.1% rather than -0.3%). The annual rate of producer price inflation eased to 4.7%, its lowest level since March.

The core PPI, which excludes food, energy and trade, rose by 0.4% in July, slightly above the 0.3% market consensus. However, the annual rate of core PPI inflation declined to a three-month low of 4.7%, from a downwardly revised 5.0% in the previous month.

US initial jobless claims rose to a still-moderate 209k last week, while continuing claims were little changed at below 1.8m in the week ending 8 August.

Across the Atlantic, UK GDP rose by 0.4% in Q2, in line with market expectations. Private consumption and gross fixed capital formation both surprised to the upside, partly offset by an unexpected decline in government spending.

At home, RBA Assistant Governor Christopher Kent said in an interview yesterday that monetary policy conditions in Australia were 'somewhat restrictive' and that the tightening in recent months appeared to be working. However, he cautioned that factors other than monetary policy could be influencing domestic monetary and economic conditions, specifically citing data-centre development and high debt levels in major advanced economies.

Economic Data Review

- **UK:** GDP (QoQ, Q2) – Actual 0.4%, Expected 0.4%, Previous 0.6%.
- **US:** PPI (MoM, Jul) – Actual 0.0%, Expected 0.2%, Previous -0.1% (revised).
- **US:** Initial Jobless Claims (w/e 8 Aug) – Actual 209k, Expected 202k, Previous 200k (revised).

Economic Data Preview

- **AU:** New Home Loans (QoQ, Q2) – Expected -5.3%, Previous -3.8%.
- **US:** Retail Sales (MoM, Jul) – Expected 0.1%, Previous 0.2%.
- **US**: University of Michigan Consumer Confidence (Aug, prel.) – Actual 54.9, Previous 55.5.