Market Daily Update

26 MARCH 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.6943	-0.8%	WTI Crude Oil	91.08	$2.22
90-day Bill	4.29	0	AUD/JPY	110.70	-0.3%	Brent Crude Oil	102.95	-$1.54
3-year Bond	4.69	6	AUD/EUR	0.6007	-0.2%	Mogas95*	123.68	-$3.69
10-year Bond	4.98	1	AUD/GBP	0.5197	-0.3%	CRB Index	356.41	-2.84
			AUD/NZD	1.1965	-0.2%	Gold	4526.71	-$27.23
			AUD/CNY	4.7983	-0.1%	Silver	71.65	-$1.33
US			EUR/USD	1.1558	-0.5%	Iron Ore (61% Fe)**	106.40	-$1.70
2-year	3.90	2	USD/JPY	159.45	0.5%	Iron Ore (25-26 Average)	103.20	$0.00
10-year	4.34	0	USD/CNY	6.9026	0.1%	Copper	12321.50	$221.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.10	ASX200	8547	48
Other 10-year			Interbank O/N Cash Rate		4.10	Dow Jones	46429	305
Japan	2.27	2	Probability of a 25bps Hike in May		69.2%	S&P500	6592	36
Germany	2.96	-7	RBA Bond Holdings (27 Feb)		A$250.0b	Stoxx600	587	8
UK	4.84	-12				CSI300	4537	63

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

US stocks bounced back last night, while Brent futures fell on hopes for ceasefire talks between the US and Iran. This came amid reports the US had sent a 15-point peace proposal to Iran, while Iranian authorities will allow 'non-hostile' vessels to cross the Strait of Hormuz.

Iran rejected the US proposal and published its own five conditions for a ceasefire. However, investors appeared to take the news that the conflict parties are communicating as a good sign.

Despite the improvement in global market sentiment, the Australian dollar depreciated against the major currencies, reflecting a decline in some commodity prices. The ASX 200 opened slightly lower this morning after increasing by 1.9% yesterday. Aussie Commonwealth bond yields picked up slightly, especially at the front end of the yield curve. This compares to no change in the US and declines in Europe.

From Fedspeak overnight, Federal Governor Stephen Miran said that he had revised his fed funds rate projection upwards at the FOMC meeting last week, to reflect the upside risks to inflation from the escalation in the Middle East.

Data-wise, the UK CPI rose by 0.4% in February, while the annual rate of inflation remained at 3.0%. Annual core inflation ticked up to 3.2%. Both figures are above the Bank of England's target of 2%. The report precedes the recent escalation of the Middle Eastern conflict.

In Australia, the annual rate of consumer price inflation eased to 3.7% in February in headline terms, undershooting market expectations of no change. Trimmed mean inflation, which is not strictly comparable to its quarterly equivalent that continues to be preferred by the RBA as the underlying inflation measure, remained at the downwardly revised 3.3%. This means that both headline and trimmed mean inflation remain above the 2-3% target range before the recent spike in domestic fuel prices caused by the crisis in the Middle East.

Speaking at a KangaNews event this morning, RBA Assistant Governor Christopher Kent spoke about the concept of the neutral cash rate and financial conditions in depth. According to the estimates he presented, the Australian neutral rate can vary from 2.5% to 4.5% in nominal terms. The estimates of Australian financial conditions presented by Assistant Governor Kent are quite wide, but the median suggests that they are slightly accommodative.

On the impacts of the conflict in the Middle East, Assistant Governor Kent said that the rise in fuel prices came at a time when capacity pressures in Australia were already high and poses further upside risk to inflation and inflation expectations, which could 'necessitate a more restrictive stance in monetary policy'. He added that the effects will be larger, the longer the conflict persists.

Economic Data Review

- **AU:** CPI (YoY, Feb) – Actual 3.7%, Expected 3.8%, Previous 3.8%.
- **UK:** CPI (MoM, Feb) – Actual 0.4%, Expected 0.4%, Previous -0.5%.

Economic Data Preview

- **AU:** National Accounts: Finance and Wealth (Q4).
- **NO:** Norges Bank Decision (Policy Rate) – Expected 4.00%, Previous 4.00%.
- **US:** Initial Jobless Claims (w/e 21 Mar) – Expected 210k, Previous 205k.