# Market Daily Update

18 AUGUST 2026

| Interest Rates | | | FX | | | Commodities | | |
|---|---|---|---|---|---|---|---|---|
| **Australia** | | ∆ bp | AUD/USD | 0.7108 | 0.2% | WTI Crude Oil | 84.87 | $2.80 |
| 90-day Bill | 4.50 | 0 | AUD/JPY | 113.32 | 0.4% | Brent Crude Oil | 91.03 | $2.53 |
| 3-year Bond | 4.58 | 3 | AUD/EUR | 0.6139 | 0.2% | Mogas95* | 113.78 | $4.07 |
| 10-year Bond | 5.07 | 2 | AUD/GBP | 0.5247 | 0.2% | CRB Index | 397.06 | 5.65 |
| | | | AUD/NZD | 1.2041 | 0.3% | Gold | 4430.09 | $37.91 |
| | | | AUD/CNY | 4.7874 | 0.3% | Silver | 66.40 | $1.19 |
| **US** | | | EUR/USD | 1.1580 | 0.0% | Iron Ore (61% Fe)** | 95.50 | -$0.45 |
| 2-year | 4.18 | 3 | USD/JPY | 159.42 | 0.2% | Iron Ore (26-27 Average) | 97.25 | -$0.07 |
| 10-year | 4.73 | 5 | USD/CNY | 6.7408 | 0.0% | Copper | 14157.50 | -$2.50 |
| | | | **RBA Policy** | | | **Equities** | | |
| | | | O/N Cash Rate Target | | 4.35 | ASX200 | 9080 | -11 |
| **Other 10-year** | | | Interbank O/N Cash Rate | | 4.35 | Dow Jones | 53460 | -273 |
| Japan | 2.96 | 5 | Probability of a 25bps Hike in Sep | | 12.0% | S&P500 | 7745 | -41 |
| Germany | 3.22 | 2 | RBA Bond Holdings (31 Jul) | | A$227.4b | Stoxx600 | 656 | -1 |
| UK | 5.06 | 2 | | | | CSI300 | 4741 | 75 |

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

US equities fell overnight as higher oil prices renewed concerns that the US Federal Reserve may need to raise interest rates to contain inflation. Technology stocks led the decline, with an index of major tech names down 1.3%. US Treasury yields rose on inflation concerns and higher government spending. The US dollar index briefly fell to its lowest level since June before recovering to be little changed over the past 24 hours.

Wall Street's decline followed broad losses across European equities, while most Asia-Pacific markets posted solid gains. Australian equities fell 0.50% yesterday, with the ASX 200 again weighed down by the major banks. Gains in the mining sector, led by the major iron ore miners, partly offset the decline despite soft Chinese economic data.

Australian bond yields edged lower yesterday but opened higher this morning, tracking moves in global yields. The Australian dollar appreciated against all major currencies, with the AUD/USD reaching a 10-week high of US$0.7129 before easing.

Oil prices rose to their highest level since late July amid concerns over the outlook for the conflict between the US and Iran after the 60-day ceasefire expired. The US president said he had no interest in extending the agreement, which has been breached several times since it was implemented in June. Iran also reportedly seized an oil tanker in the Strait of Hormuz.

Gold closed the overnight session at its highest level since early June, supported by increasing global uncertainty.

China's economic data remained underwhelming in July. Retail sales rose 0.1% in the month, lowering annual growth by 0.4ppts to 0.6% YoY. Industrial production also rose 0.1% in July, with annual growth slowing to 4.5% YoY. Crude steel output fell 8.1% to 76.9 million tonnes, its lowest level in five months. Urban fixed asset investment, a key source of steel demand, was down 6.7% year-to-date YoY, led by a 19.2% YoY fall in property investment, suggesting that the property downturn continues to deepen.

Japan's preliminary Q2 GDP growth was slightly softer than expected at 0.2% (mkt. exp. 0.5%), following 0.5% growth in Q1. The details were weak, with growth driven by inventories and net exports, while capital investment fell and private consumption was flat.

The ANZ-Roy Morgan weekly consumer sentiment index increased by 1.5 points to 76.5 in the week ending 16 August, its highest reading in 24 weeks. However, it remains well within pessimistic territory.

## Economic Data Review

- **AU:** ANZ-Roy Morgan Consumer Confidence Index (w/e 16 Aug) – Actual 76.5, Previous 75.0.
- **JP:** GDP (QoQ, Q2) – Actual 0.3%, Expected 0.5%, Previous 0.5%.
- **CH:** Retail Sales (YoY, Jul) – Actual 0.6%, Expected 1.5%, Previous 1.0%.
- **CH:** Industrial Production (YoY, Jul) – Actual 4.5%, Expected 5.0%, Previous 5.3%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Jul) – Actual -6.7%, Expected -6.2%, Previous -5.7%.

## Economic Data Preview

- **AU:** Westpac-Melbourne Institute – Consumer Sentiment Index (Aug) – Previous 83.9.
- **US:** Industrial Production (MoM, Jul) – Expected 0.3%, Previous 0.1%.