Market Daily Update

18 SEPTEMBER 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7114	0.3%	WTI Crude Oil	100.91	-$0.57
90-day Bill	4.69	-1	AUD/JPY	111.16	0.4%	Brent Crude Oil	103.77	-$1.13
3-year Bond	4.94	-3	AUD/EUR	0.6198	0.2%	Mogas95*	137.15	$2.16
10-year Bond	5.27	-5	AUD/GBP	0.5326	0.5%	CRB Index	425.46	-0.68
			AUD/NZD	1.2432	0.2%	Gold	4357.92	$66.72
			AUD/CNY	4.7678	0.2%	Silver	65.68	$2.19
US			EUR/USD	1.1478	0.1%	Iron Ore (61% Fe)**	96.60	$0.45
2-year	4.67	-4	USD/JPY	156.26	0.1%	Iron Ore (26-27 Average)	97.43	-$0.01
10-year	4.93	-6	USD/CNY	6.7061	0.0%	Copper	14491.50	$259.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	8759	5
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	51778	316
Japan	2.97	-3	Probability of a 25bps Hike in Sep		86.0%	S&P500	7638	86
Germany	3.48	-3	RBA Bond Holdings (31 Aug)		A$227.4b	Stoxx600	643	6
UK	5.22	-7				CSI300	4460	-20

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

Wall Street bounced back last night, supported by lower oil prices amid reports that Saudi Arabian oil is being shipped through the Strait of Hormuz along Oman’s coastline. Brent and WTI futures are down by 0.5–1.0% since yesterday, with WTI futures approaching US$100 a barrel. Government bond yields declined across major advanced economies and the US dollar depreciated.

The gains on Wall Street followed increases across Europe and the Asia-Pacific region. The ASX 200 rose by 0.4% yesterday, supported by solid gains in financials, healthcare, industrials and real estate, though information technology recorded further strong losses. The Australian share market opened higher again this morning.

The improvement in global market sentiment supported the Australian dollar, which appreciated against all major currencies. Commonwealth bond yields declined by less than their US equivalents.

Data-wise, US initial jobless claims declined below 200k last week for the first time in around two months, while continued claims reached their lowest level since early 2024. This could confirm that demand for labour in the US is picking up again and absorbing unemployed workers, though there is a risk that some of the decline in continued claims reflects claimants losing eligibility for jobless benefits.

In Japan, the annual rate of headline consumer price inflation remained at 1.9% in August, while the market consensus was for a slight increase to 2.0%. The ‘core-core’ inflation rate, which excludes energy and fresh food, also remained at 1.9%. The Bank of Japan is due to announce its monetary policy decision later today, with a 25-basis point hike widely expected.

Meanwhile, the Bank of England (BoE) left its bank rate at 3.75% yesterday in a 6–3 vote, as expected. The British central bank said that, at this stage, there is little evidence of higher energy costs spilling over to the broader economy but warned that the risk of second-round effects rises the longer energy price inflation remains elevated. The market is pricing in an 80% chance of a 25-basis point hike from the Bank of England in November.

The BoE also discussed reducing the pace of government gilt sales within its quantitative tightening program.

At home, RBA senior officials are testifying before the House of Representatives Standing Committee on Economics at the time of writing. In her introductory statement, RBA Governor Michele Bullock repeated that inflation is ‘too high’ and that this stems from both capacity pressures and higher fuel prices resulting from the conflict in the Middle East. She warned that, as the conflict lingers, inflation will likely remain elevated for some time.

She noted that the central bank had already tightened policy in response to inflation pressures, and that the question remains whether this tightening has been sufficient to achieve its goal. Overall, she sounded somewhat less hawkish than her colleagues who have spoken publicly over the past fortnight.

Economic Data Review

- **JP:** CPI (YoY, Aug) – Actual 1.9%, Expected 2.0%, Previous 1.9%.
- **US:** Initial Jobless Claims (w/e 12 Sep) – Actual 196k, Expected 207k, Previous 206k.

Economic Data Preview

- **JP:** Bank of Japan Decision (Policy Rate) – Expected 1.25%, Previous 1.25%.
- **US:** Industrial Production (MoM, Aug) – Expected 0.3%, Previous 0.2%.