Market Daily Update

31 AUGUST 2026

Interest Rates

Australia		∆ bp
90-day Bill	4.55	0
3-year Bond	4.66	0
10-year Bond	5.10	-1
US		
2-year	4.34	11
10-year	4.71	4
Other 10-year		
Japan	2.94	3
Germany	3.28	3
UK	5.06	3

FX

AUD/USD	0.7154	-0.6%
AUD/JPY	114.51	-0.2%
AUD/EUR	0.6176	0.0%
AUD/GBP	0.5286	-0.2%
AUD/NZD	1.2100	0.1%
AUD/CNY	4.8181	-0.4%
EUR/USD	1.1586	-0.6%
USD/JPY	160.05	0.4%
USD/CNY	6.7301	0.2%

RBA Policy

O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Sep	46.0%
RBA Bond Holdings (31 Jul)	A$227.4b

Commodities

WTI Crude Oil	84.55	$1.19
Brent Crude Oil	89.43	-$0.15
Mogas95*	133.64	$20.36
CRB Index	406.36	1.19
Gold	4454.81	-$135.33
Silver	66.45	-$2.72
Iron Ore (61% Fe)**	99.05	$1.00
Iron Ore (26-27 Average)	97.23	$0.01
Copper	14294.00	$11.50

Equities

ASX200	9083	7
Dow Jones	53560	-9
S&P500	7712	-19
Stoxx600	655	3
CSI300	4609	-21

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

US equities gave back early gains after Fed Chair Kevin Warsh delivered a hawkish speech at the Jackson Hole Economic Policy Symposium. His remarks pushed US Treasury yields sharply higher, particularly at the short end of the curve, as expectations for further Fed rate increases intensified. The stronger rates backdrop supported the US dollar and weighed on risk sentiment, while oil prices initially eased amid reports of increased shipping through the Strait of Hormuz before bouncing this morning after news that the US had struck Iranian rocket launchers over the weekend.

In his inaugural Jackson Hole address, Chair Warsh reiterated that the Fed's priority is restoring price stability. He described the inflation goal as a "firm, fixed target", noted that inflation had moved further away from target over the past six months, and acknowledged the Fed's responsibility for inflation remaining elevated over the past 65 months. He stressed that delivering stable prices remains the central bank's core task.

The fall in US equities followed a positive session in Europe, where markets had closed before Warsh began speaking. Asia-Pacific markets were mixed: Japan and Taiwan closed higher, while South Korea and mainland China closed lower.

Locally, the ASX 200 rose 0.6% on Friday, led by gains in the major banks and miners, but opened lower this morning. Australian Commonwealth Government bond yields also opened higher, reversing most of Friday's decline. The Australian dollar weakened against most major currencies, with its largest fall against the stronger US dollar.

The main commodity news was the US President's announcement of a joint venture between the US and Venezuela that would effectively give US interests majority control of Venezuelan oil fields, although the announcement did not materially affect near-term pricing. Reports suggest the US will control 55% of Venezuelan output and obtain the oil at cost. The agreement reportedly includes a 100-year concession over oil fields with around 65 billion barrels of proven reserves.

Elsewhere in commodities, gold prices fell sharply as Warsh's speech lifted US interest rates and the US dollar. The move marked the yellow metal's weakest session since 5 June. Iron ore futures rose to their highest level in over a month.

The domestic economic highlight this week will be Q2 GDP on Wednesday. Other notable releases include the August Melbourne Institute inflation gauge and July private sector credit on Monday, Cotality home prices for August, July dwelling approvals and Q2 balance of payments on Tuesday, and July international goods trade on Thursday.

Offshore, the US employment report for August on Friday is the key release of the week, while the US and Chinese PMIs will also be closely watched. The RBNZ is expected to raise interest rates on Wednesday.

Economic Data Review

- **US:** University of Michigan Consumer Sentiment Index (Aug, Final) – Actual 51.7, Expected 51.0, Previous 51.0.

Economic Data Preview

- **AU:** Melbourne Institute Inflation Gauge (MoM, Aug) – Previous 1.0%.
- **AU:** Private Sector Credit (MoM, Jul) – Expected 0.7%, Previous 0.8%.
- **CH:** Composite PMI (Aug) – Previous 49.3.