Market Daily Update

12 JANUARY 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.6697	0.0%	WTI Crude Oil	59.43	$1.15
90-day Bill	3.74	0	AUD/JPY	105.77	0.6%	Brent Crude Oil	63.67	$1.68
3-year Bond	4.07	1	AUD/EUR	0.5750	0.1%	Mogas95*	74.15	-$0.12
10-year Bond	4.67	0	AUD/GBP	0.4992	0.1%	CRB Index	301.47	-0.91
			AUD/NZD	1.1667	0.1%	Gold	4556.07	$83.46
			AUD/CNY	4.6654	-0.1%	Silver	82.06	$5.61
US			EUR/USD	1.1644	-0.1%	Iron Ore (62% Fe)**	108.75	$0.80
2-year	3.53	4	USD/JPY	157.94	0.6%	Iron Ore (25-26 Average)	103.47	$0.04
10-year	4.17	0	USD/CNY	6.9783	-0.1%	Copper	12998.00	$277.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8781	38
Other 10-year			Interbank O/N Cash Rate		3.60	Dow Jones	49504	238
Japan	2.10	2	Probability of a 25bps Hike in Feb		26.9%	S&P500	6966	45
Germany	2.86	0	RBA Bond Holdings (31 Dec)		A$250.2b	Stoxx600	610	6
UK	4.37	-3				CSI300	4759	21

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

The S&P 500 closed at a fresh record high on Friday, with increases across most sectors led by tech stocks which contributed over half the gain. US two-year Treasury yields rose as traders seemed to give more weight to news of a fall in the US unemployment rate in December than soft payrolls growth. The US dollar strengthened, and oil, gold and silver prices climbed.

The rise on Wall Street followed gains in Europe and most of the Asia-Pacific region. The Aussie market closed virtually unchanged on Friday, but has opened higher this morning.

Australian bond yields rose on Friday after falling sharply on Thursday, before slipping back a little this morning. The AUD slipped against the stronger greenback but has gained against the Japanese yen, which fell amid reports the Japanese PM will call a snap election to take advantage of strong voter approval for recent stimulus efforts.

Oil prices climbed again on Friday, rounding out the third weekly gain in a row as ongoing protests in Iran raised concerns over the impact on oil production should the situation escalate. Ukrainian attacks on Russian oil infrastructure have also helped push prices higher. Gold climbed back above US$4,500 an ounce and is approaching the record high of US$4,549.92 reached late last year, while silver is up almost 6% from Friday morning. Iron ore futures rose despite news that Chinese port stockpiles had hit the highest level since April 2022.

The US employment report for December was soft, despite the fall in the unemployment rate to 4.4% from a downwardly revised 4.5% in November (originally 4.6%). Non-farm payrolls rose 50k (exp 70k), including a 37k lift in private payrolls. Excluding healthcare and social assistance, private payrolls would have fallen for the third month in a row. The previous two months' payrolls were revised down a combined 76k. There was a clear softening in the US labour market in 2025, with payrolls growth averaging just 49k a month, compared to 168k in 2024.

Chinese inflation remained minimal in December, with the CPI rising 0.2% in the month, mainly due to increased food price inflation, with the annual inflation rate picking up 0.1ppts to 0.7%. Annual core inflation (ex. food and energy) was steady at 1.2% for the third month in a row. Producer prices remained in deflation for the 39th month in a row, although the rate of price falls eased 0.3ppts to 1.9% YoY, the slowest rate since August 2024.

Key events domestically this week will be the household spending indicator for November and ANZ-Indeed job ads for December this morning, as well as the Westpac consumer confidence for January on Tuesday. The highlights offshore will be China's external trade data, the US CPI, industrial production and retail sales for December.

Economic Data Review

- **CH:** CPI (YoY, Dec) – Actual 0.8%, Expected 0.8%, Previous 0.7%
- **CH:** PPI (YoY, Dec) – Actual -1.9%, Expected -2.0%, Previous -2.2%.
- **US:** Non-Farm Payrolls (Monthly Change, Dec) – Actual 50k, Expected 70k, Previous 56k (revised).
- **US:** Unemployment Rate (Dec) – Actual 4.5%, Expected 4.5%, Previous 4.5% (revised).

Economic Data Preview

- **AU:** Household Spending Indicator (MoM, Nov) – Expected 0.6%, Previous 1.3%
- **AU:** ANZ-Indeed Job Ads (MoM, Dec) – Previous -0.8%.