Market Daily Update

08 JANUARY 2026

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.6720	-0.2%	WTI Crude Oil	56.31	-$0.17
90-day Bill	3.75	-1	AUD/JPY	105.34	-0.2%	Brent Crude Oil	59.96	-$0.74
3-year Bond	4.09	-10	AUD/EUR	0.5755	-0.1%	Mogas95*	71.01	-$0.66
10-year Bond	4.68	-11	AUD/GBP	0.4993	0.1%	CRB Index	300.16	-1.91
			AUD/NZD	1.1646	0.0%	Gold	4461.06	-$31.81
			AUD/CNY	4.7064	0.0%	Silver	78.68	-$3.77
US			EUR/USD	1.1677	-0.1%	Iron Ore (62% Fe)**	108.90	$1.35
2-year	3.47	1	USD/JPY	156.77	0.0%	Iron Ore (25-26 Average)	103.41	$0.06
10-year	4.15	-2	USD/CNY	6.9916	0.1%	Copper	12899.50	-$338.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.60	ASX200	8716	15
Other 10-year			Interbank O/N Cash Rate		3.60	Dow Jones	48996	-466
Japan	2.09	-2	Probability of a 25bps Hike in Feb		31.4%	S&P500	6921	-24
Germany	2.81	-3	RBA Bond Holdings (31 Dec)		A$250.2b	Stoxx600	605	0
UK	4.42	-6				CSI300	4777	-14

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

The broad US equity market had its first negative session for 2026, with the S&P 500 falling from the record high reached on Wednesday. However, gains in the tech sector saw the tech-heavy Nasdaq close in positive territory. US Treasury yields edged down at the back end of the curve.

The ASX 200 closed a little higher yesterday but has opened today in red. Australian bond yields fell following the release of the Aussie CPI, suggesting traders were bracing for a higher inflation outcome. The futures market has wound back some of its pricing for a February cash rate increase, while the Aussie dollar edged down against most of the majors.

Iron ore futures prices climbed to the highest level since February last year, while oil edged down as traders weigh the impact of US plans for Venezuelan oil. Gold and silver gave back some of their recent gains.

The ISM services PMI rose 1.8pts to 54.4 in December (above 50 = expansion), indicating a faster pace of US services activity growth. This was the highest level for the index since October 2024. The employment index rose back into expansion after six months below 50, while the new orders index jumped to a 15-month high. The prices paid index fell to the lowest level since March 2025, to be only slightly above the pre-pandemic average.

While the ISM manufacturing PMI was solid, the US labour market data portrayed a soft job market. The ADP employment report showed private payrolls increased just 41k in December, following a 29k fall in November, while the JOLTS report saw job openings fall 300k to a 14-month low of 7.1m in November (exp 7.6m).

The Australian CPI for November provided little clarity on the likelihood of a cash rate increase by the RBA in February. Annual inflation eased but remained above target in both headline and underlying terms. The CPI was unchanged for the second month in a row (seasonally adjusted 0.2%), while the annual headline inflation rate slowed 0.4ppts to 3.4%. The trimmed mean – the RBA's favourite measure of underlying inflation – fell 0.1ppts to 3.2%. However, the RBA has said it will continue to focus on the quarterly trimmed mean until it gains confidence in the monthly series, which has only a very short history. Whether the RBA raises the cash rate will largely depend on the outcome of the December CPI – which will include the Q4 quarterly trimmed mean – to be released on 28 January, as well as the December labour force report due on 22 January.

Australian dwelling approvals jumped a seasonally adjusted 15.2% in November (mkt exp 2.0%), following a 6.1% fall in October (originally -6.4%). Approvals were up 20.2% from a year earlier. Monthly trend growth, which looks through the volatility, eased to 0.5% and was up 7.1% from a year ago.

Economic Data Review

- **AU:** CPI (MoM, Nov) – Actual 0.0%, Previous 0.0%.
- **AU:** Dwelling Approvals (MoM, Nov) – Actual 15.2%, Expected 2.0%, Expected -6.1% (revised).
- **EZ:** CPI (YoY, Dec, Preliminary) – Actual 2.0%, Expected 2.0%, Previous 2.1%.
- **US:** ISM Services PMI (Dec) – Actual 54.4, Expected 52.2, Previous 52.6.
- **US:** ADP Private Payrolls (Monthly Change, Dec) – Actual 41k, Expected 50k, Previous -29k (revised).
- **US:** JOLTS Job Openings (Nov) – Actual 7.1m, Expected 7.6m, Previous 7.4m (revised).

Economic Data Preview

- **AU:** Trade Balance (Nov) – Expected A$5.0b, Previous A$4.4b.