Market Daily Update

03 AUGUST 2026

Interest Rates		
Australia		Δ bp
90-day Bill	4.50	0
3-year Bond	4.49	0
10-year Bond	4.93	-1
US		
2-year	4.24	0
10-year	4.69	3
Other 10-year		
Japan	2.82	0
Germany	3.21	5
UK	5.05	7

FX		
AUD/USD	0.7046	0.2%
AUD/JPY	110.17	-2.3%
AUD/EUR	0.6100	-0.1%
AUD/GBP	0.5220	-0.1%
AUD/NZD	1.1934	-0.3%
AUD/CNY	4.7519	0.1%
EUR/USD	1.1549	0.3%
USD/JPY	156.36	-2.5%
USD/CNY	6.7531	0.0%

RBA Policy	
O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Aug	3.1%
RBA Bond Holdings (30 Jun)	A$229.9b

Commodities		
WTI Crude Oil	80.54	-$3.56
Brent Crude Oil	83.79	-$5.90
Mogas95*	105.82	-$10.95
CRB Index	385.10	0.65
Gold	4063.79	-$29.65
Silver	58.05	-$0.86
Iron Ore (61% Fe)**	94.85	-$0.80
Iron Ore (26-27 Average)	98.18	-$0.16
Copper	13791.00	-$12.00

Equities		
ASX200	8960	-56
Dow Jones	52485	277
S&P500	7490	52
Stoxx600	649	-1
CSI300	4588	38

*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 rose on Friday supported by strong earnings, recording its first weekly gain in nearly a month, but remained in the red for July and 1.6% below its early-June record high.

In breaking news this morning, US President Donald Trump called off attacks on Iran to allow ceasefire negotiations. In a social media post, President Trump said the 'parameters' of a new ceasefire deal, including the reopening of the Strait of Hormuz, had been agreed, with talks to begin later today.

In response, oil prices opened lower this morning, with Brent futures back below US$85 a barrel. Elsewhere, iron ore futures slid to their lowest level in over a year as concerns about elevated port inventories and weak steel demand in China were compounded by weak PMI data.

Fedspeak stirred fixed income markets on Friday, lifting government bond yields in the US and Europe. All three FOMC dissenters said that waiting too long to raise rates would increase the cost of fighting inflation later, while two non-voting Fed officials also advocated for rate increases. Separately, press reports suggest Fed Chair Kevin Warsh is considering reducing the number of regularly scheduled meetings.

The Australian dollar appreciated against all the major currencies but the Japanese yen, which was supported by apparent market and verbal foreign exchange intervention. Commonwealth bond yields were little changed. The ASX 200 gained a modest 0.1% on Friday before falling this morning.

Data-wise, China's NBS composite PMI fell 1.3pts to 49.3 in July (below 50 indicates contraction), with manufacturing, services and construction all contracting again. Construction recorded its sharpest contraction since 2020.

At home, the PPI rose 1.3% in Q2, lifting annual PPI inflation to 3.6%. Australian private sector credit growth accelerated to 0.8% MoM and 8.5% YoY in June.

The Cotality Home Value Index fell 0.9% across the capital cities in July, the largest decline since late 2022 and greater than the 0.6% fall in June. Sydney (-1.4%) and Melbourne (-1.2%) again led the declines, while Brisbane (-0.6%) and Adelaide (-0.2%) also recorded falls. Perth was the only mainland capital to post a gain, albeit a modest 0.1%.

Another busy domestic week lies ahead, with the Melbourne Institute Inflation Gauge for July due later today, June household spending data due tomorrow, and the June goods trade balance on Thursday. Offshore highlights include US labour market data and the US and Chinese PMIs.

Economic Data Review

- **AU:** Cotality Home Value Index (MoM, Jul) – Actual -0.9%, Previous -0.6%.
- **AU:** Private Sector Credit (MoM, Jun) – Actual 0.8%, Expected 0.6%, Previous 0.7%.
- **AU:** PPI (QoQ, Q2) – Actual 1.3%, Previous 0.4%.
- **CH:** NBS Composite PMI (Jul) – Actual 49.3, Previous 50.6.

Economic Data Preview

- **AU:** Melbourne Institute Inflation Gauge (YoY, Jul) – Previous 3.9%.
- **CH:** RatingDog Manufacturing PMI (Jul) – Expected 51.5, Previous 51.7.
- **US:** ISM Manufacturing PMI (Jul) – Expected 54.0, Previous 53.3.