Market Daily Update

17 AUGUST 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7095	0.5%	WTI Crude Oil	82.07	$0.77
90-day Bill	4.51	0	AUD/JPY	112.84	0.2%	Brent Crude Oil	88.50	$1.40
3-year Bond	4.55	6	AUD/EUR	0.6126	0.1%	Mogas95*	109.71	$1.41
10-year Bond	5.05	7	AUD/GBP	0.5234	0.0%	CRB Index	391.41	3.04
			AUD/NZD	1.2010	-0.4%	Gold	4392.18	$48.57
			AUD/CNY	4.7751	0.3%	Silver	65.21	$0.82
US			EUR/USD	1.1581	0.4%	Iron Ore (61% Fe)**	95.95	$0.15
2-year	4.15	1	USD/JPY	159.06	-0.2%	Iron Ore (26-27 Average)	97.32	-$0.04
10-year	4.68	4	USD/CNY	6.7425	0.0%	Copper	14160.00	$11.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	9091	-30
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	53732	-108
Japan	2.90	4	Probability of a 25bps Hike in Sep		0.0%	S&P500	7786	-13
Germany	3.20	7	RBA Bond Holdings (31 Jul)		A$227.4b	Stoxx600	658	-1
UK	5.04	8				CSI300	4666	2

*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 eased from its record high on Friday as oil prices rose amid renewed strikes on commercial vessels in the Strait of Hormuz, while incoming economic data suggested that US consumers might be less resilient to the current energy price shock. Higher oil prices, coupled with more hawkish Fedspeak, led to a pick-up in government bond yields in the US and other major advanced economies.

Despite souring global market sentiment, the Australian dollar appreciated against all the major currencies except for the British pound. Commonwealth bond yields rose more than their US equivalents. The ASX 200 fell by 0.8% on Friday, dragged down by a decline in materials, before opening even lower this morning.

Signs that US consumers might be less resilient to the current energy price shock came from July retail sales figures and the University of Michigan's August consumer confidence survey.

US retail sales unexpectedly fell by 0.6% in July, which was the first decline since October and the largest in over a year. The decline partly reflected lower petrol prices, but sales still fell excluding this category. The retail sales control group, which excludes food services, car dealers, building material stores and petrol stations, eased by 0.4% in July, the weakest outcome since early 2025.

University of Michigan consumer confidence declined to 51.0 in August, with both the assessment of current conditions and expectations deteriorating. One-year consumer inflation expectations rose by 0.1ppts to 4.3%, while five- to ten-year expectations, more relevant for monetary policy, remained steady at an elevated 3.3%.

Meanwhile, Richmond Fed President Thomas Barkin acknowledged that 'some help' from monetary policy might be needed if inflation expectations became de-anchored. Cleveland Fed President Beth Hammack questioned whether the recent slowdown in observed inflation would continue. Chicago Fed President Austan Goolsbee echoed these comments, saying that a further fall in inflation would be needed to ensure it was truly returning towards the Fed's goal.

It will be a busy week domestically, with Westpac consumer sentiment for August tomorrow; the Q2 wage price index on Wednesday; the July labour force survey and August inflation expectations on Thursday; and August S&P Global PMIs on Friday. Key offshore releases include Chinese activity figures, US industrial production, FOMC minutes, and S&P Global PMIs for the major advanced economies.

Economic Data Review

- **US:** Retail Sales (MoM, Jul) – Actual -0.6%, Expected 0.1%, Previous 0.2%.
- **US:** University of Michigan Consumer Confidence (Aug, prelim.) – Actual 51.0, Expected 55.0, Previous 55.2.

Economic Data Preview

- **JP:** GDP (QoQ, Q2) – Expected 0.5%, Previous 0.5%.
- **CH:** Retail Sales (YoY, Jul) – Expected 1.5%, Previous 1.0%.
- **CH:** Industrial Production (YoY, Jul) – Expected 5.0%, Previous 5.3%.
- **CH:** Urban Fixed Asset Investment (YoY YtD, Jul) – Expected -6.2%, Previous -5.7%.