Market Daily Update

30 JULY 2026

Interest Rates

Australia		Δ bp
90-day Bill	4.50	-5
3-year Bond	4.51	-5
10-year Bond	4.96	1
US		
2-year	4.27	-2
10-year	4.68	6
Other 10-year		
Japan	2.79	1
Germany	3.16	6
UK	5.04	9

FX

AUD/USD	0.6958	-0.2%
AUD/JPY	113.74	-0.3%
AUD/EUR	0.6072	-0.8%
AUD/GBP	0.5210	-0.7%
AUD/NZD	1.2003	-0.4%
AUD/CNY	4.7231	0.0%
EUR/USD	1.1458	0.6%
USD/JPY	163.47	-0.1%
USD/CNY	6.7642	-0.1%

Commodities

WTI Crude Oil	83.48	$1.04
Brent Crude Oil	89.38	$1.92
Mogas95*	117.09	$3.41
CRB Index	385.49	6.30
Gold	4076.23	$52.18
Silver	58.00	$0.77
Iron Ore (61% Fe)**	97.10	-$0.55
Iron Ore (26-27 Average)	98.54	-$0.07
Copper	13581.00	-$104.00

RBA Policy

O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Aug	0.0%
RBA Bond Holdings (30 Jun)	A$229.9b

Equities

ASX200	8999	-49
Dow Jones	51594	-1153
S&P500	7316	-113
Stoxx600	645	-2
CSI300	4600	31

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

US equities posted heavy declines overnight, with the S&P 500 falling 1.5% – its worst session since 10 June – amid a further sell-off in some of the largest tech sector names. Investor anxiety over AI-related spending continued ahead of earnings reports from major AI spenders Meta and Microsoft. Chipmakers were again at the centre of the declines, with the semiconductor index dropping 5.3%.

US Treasury yields fell at the short end of the curve after the FOMC left the fed funds rate unchanged overnight, but rose at the long end. Markets are now pricing in 33bps of rate hikes this year, down from 41bps ahead of the meeting.

While the FOMC kept the fed funds target range unchanged at 3.50–3.75%, three members dissented, each preferring a 25bp increase. The post-meeting communication highlighted the economy's resilience despite elevated uncertainty and reiterated the Fed's commitment to returning inflation to its 2% goal.

Oil prices jumped as hopes for a renewed ceasefire faded amid fresh attacks in the Middle East, including reports that two LNG tankers were attacked in an Egyptian port on the Mediterranean coast.

The declines in US equities followed a negative session in Europe and a mixed day in the Asia-Pacific, where shares were mostly higher. However, the technology-heavy South Korean and Taiwanese markets posted large declines, also weighed down by souring sentiment toward AI after strong gains earlier in the year. Australian equities rose for a third consecutive day yesterday, closing 1.0% higher, supported by a fall in expectations for an RBA interest rate hike after the Australian CPI release. The ASX 200 has opened lower this morning.

Softer-than-expected Australian inflation data saw traders adjust their pricing for cash rate hikes. Markets almost fully unwound pricing for an August increase, after assigning a 25% chance to a hike yesterday morning. Traders are now pricing in just a 50% chance of an increase by year-end, down from 80% at this time yesterday.

Declining expectations for RBA cash rate increases saw Australian bond yields fall yesterday, although longer-term yields have followed US Treasury yields higher this morning. The Aussie dollar was weighed down by falling expectations for RBA cash rate hikes.

The Australian CPI report for June surprised to the downside, with headline CPI falling 0.1% for the month (unadjusted) and annual inflation easing to 3.8% from 4.0% in May. Quarterly trimmed mean inflation, which remains the RBA's focus until it has more confidence in the monthly data, was 0.8%, with the annual rate steady at 3.6% (mkt. exp: 3.7%). Both headline and underlying inflation remain above the 2–3% target band but are below the RBA's May forecasts. Combined with an unemployment rate above forecast, the data suggest the RBA is now very likely to keep the cash rate unchanged at its 10–11 August meeting, although its signalling is likely to remain hawkish.

Economic Data Review

- **AU:** CPI (YoY, Jun) – Actual 3.8%, Expected 4.0%, Previous 4.0%.
- **US:** FOMC Decision (IoR) – Actual 3.65, Expected 3.65%, Previous 3.65%.

Economic Data Preview

- **AU:** Dwelling Approvals (MoM, Jun) – Expected -0.5%, Previous -1.1%.
- **AU:** International Trade Price Indices (Q2)