Market Daily Update

09 JULY 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.6939	0.1%	WTI Crude Oil	74.23	$2.03
90-day Bill	4.47	0	AUD/JPY	112.69	0.1%	Brent Crude Oil	78.78	$2.85
3-year Bond	4.50	5	AUD/EUR	0.6072	-0.1%	Mogas95*	98.04	$5.05
10-year Bond	4.91	3	AUD/GBP	0.5178	-0.3%	CRB Index	367.01	3.92
			AUD/NZD	1.2113	-0.7%	Gold	4081.21	-$37.72
			AUD/CNY	4.7210	0.2%	Silver	58.45	-$1.69
US			EUR/USD	1.1430	0.2%	Iron Ore (61% Fe)**	99.45	$1.40
2-year	4.21	3	USD/JPY	162.38	0.1%	Iron Ore (26-27 Average)	98.28	$0.35
10-year	4.58	3	USD/CNY	6.8060	0.2%	Copper	13165.50	-$200.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	8711	14
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	52348	-577
Japan	2.88	2	Probability of a 25bps Hike in Aug		18.6%	S&P500	7483	-21
Germany	3.09	10	RBA Bond Holdings (30 Jun)		A$229.9b	Stoxx600	636	-10
UK	4.97	13				CSI300	4756	-37

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

Global stocks tanked yesterday, while oil prices surged to their highest level since mid-July, as tensions between the US and Iran escalated further. US President Donald Trump declared that the ceasefire between the countries was ‘over’, and the US military launched another wave of strikes against Iran, aimed at containing its ability to carry out strikes in the Strait of Hormuz.

Government bond yields climbed further across advanced economies, with Europe, which is dependent on supplies from the Middle East, seeing relatively strong increases. Rate hikes by the ECB and Bank of England are again fully priced in for this year. US Treasury yields rose a little less, despite quite hawkish minutes, but are still at their highest levels since mid-May. The probability of a 25bps fed funds rate hike in September climbed above 80% overnight.

The Australian dollar appreciated slightly against the greenback and Japanese yen, but is down versus the euro and British pound. Commonwealth bond yields rose somewhat more than their US equivalents at the front end of the yield curve, with a cash rate hike again nearly 70% priced in for this year. The ASX 200 declined by 0.2% yesterday, with mixed results across sectors, before dropping at the open this morning.

FOMC minutes released overnight revealed that some participants saw a case for monetary policy tightening at the June meeting, though they ultimately opted to keep the fed funds rate on hold for now. FOMC members also generally assessed that upside risks to inflation had increased in recent months, and that it might take longer for inflation to return to its 2% goal.

Closer to home, as expected, the RBNZ increased the official cash rate by 25 basis points to 2.50% yesterday and did not rule out further monetary policy tightening. Overnight index swaps are pricing in at least one more rate hike for 2026.

RBA Assistant Governor Sarah Hunter spoke about supply and its implications for monetary policy, focusing on structural and short-term supply shocks. In the case of the former, Hunter acknowledged that monetary policy cannot alter the potential demand path but may help steer the economy towards that path while minimising deviations in inflation from target. In the case of the latter, she confirmed that the rationale for monetary policy’s response depends on the likely duration of the shock, its spillovers and its impact on inflation expectations.

While the speech focused more on the general framework for monetary policy, it had some implications for the RBA’s response to the recent supply shock from the US-Iran war. With longer-run inflation expectations remaining well anchored, the risk of monetary policy tightening from the supply shock alone is quite limited. However, the war in the Middle East came at a time of rising demand pressures, and it remains uncertain to what extent these have been contained over recent months. This implies a further risk of monetary policy tightening in the coming months.

Economic Data Review

No market-moving data.

Economic Data Preview

- **CH:** CPI (YoY, Jun) – Expected 1.1%, Previous 1.2%.
- **CH:** PPI (YoY, Jun) – Expected 4.1%, Previous 3.9%.
- **US:** Initial Jobless Claims (w/e 4 Jul) – Expected 218k, Previous 215k.