

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7009	-1.0%	WTI Crude Oil	98.21	\$3.57
90-day Bill	4.31	3	AUD/JPY	111.62	-0.1%	Brent Crude Oil	112.11	\$3.46
3-year Bond	4.85	14	AUD/EUR	0.6063	-0.9%	Mogas95*	132.68	-\$4.81
10-year Bond	5.14	15	AUD/GBP	0.5258	-0.3%	CRB Index	367.12	2.92
			AUD/NZD	1.2020	-0.3%	Gold	4485.39	-\$165.15
			AUD/CNY	4.8394	-0.7%	Silver	68.28	-\$4.58
US			EUR/USD	1.1561	-0.1%	Iron Ore (61% Fe)**	107.90	\$0.50
2-year	3.90	11	USD/JPY	159.24	0.8%	Iron Ore (25-26 Average)	103.15	\$0.03
10-year	4.38	13	USD/CNY	6.9036	0.2%	Copper	11929.50	-\$217.00
			RBA Policy			Equities		
			O/N Cash Rate Target	4.10		ASX200	8274	-190
			Interbank O/N Cash Rate	4.10		Dow Jones	45577	-444
Other 10-year			Probability of a 25bps Hike in May	73.9%		S&P500	6506	-100
Japan	2.28	0	RBA Bond Holdings (27 Feb)	A\$250.0b		Stoxx600	573	-10
Germany	3.04	8				CSI300	4567	-16
UK	4.99	15						

*Mogas95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.

**Iron ore is the second SGX futures contract.

The global shares were again a sea of red on Friday, as investors remained concerned about the impacts of the conflict in the Middle East. Oil prices climbed further, and the resultant fears over a rise in inflation drove government bond yields up sharply in most advanced economies, though Japanese bond yields were steady.

In the US, the S&P 500 dropped by 1.5%, while US Treasury yields rose by more than 10 basis points across the yield curve. Fed funds rate cut expectations have evaporated since the FOMC meeting last Wednesday night and are turning into rate hike expectations. This comes despite mixed messaging from the Fed, with Vice Chair Michelle Bowman still seeing a case for rate cuts, while Governor Christopher Waller voiced concerns over inflation risks from higher oil prices.

Over the weekend, US President Donald Trump said in a social media post that the US military was getting 'very close' to meeting its objectives in the war and later, on Sunday morning, gave Iran 48 hours to reopen the Strait of Hormuz.

The Iranian officials have already responded, warning that they will 'completely close' the Strait if President Trump does not withdraw his ultimatum, despite signalling earlier that they could allow Japanese-related vessels to pass the Strait, on top of Chinese and Indian ships. The Iranian officials also threatened further attacks on, among others, energy infrastructure across the Middle East. Such attacks continued over the weekend, nonetheless.

From other news, the International Energy Agency warned over the weekend that, even if the military conflict in the Middle East were to end now, it could take six months or more to fully restore the flow of supply from the region.

The Aussie share market opened sharply lower this morning, as did the New Zealand share market. This followed a 0.8% decline in the ASX 200 on Friday, with the strongest losses recorded in materials, while health care led the gains.

The Australian dollar has depreciated against all major currencies since Friday morning. Commonwealth bond yields followed their US equivalents higher. Market cash rate hike expectations continue to intensify, with three further rate hikes now almost fully priced in for the rest of 2026.

The key domestic release [this week](#) will be the February CPI report on Wednesday, which predates the escalation of the Middle Eastern conflict. There are also the S&P Global PMIs for March due tomorrow, while RBA Assistant Governor Christopher Kent is due to speak on Thursday.

While events in the Middle East will likely be followed closely by the market, it will be a quiet week data-wise, with the S&P PMI reports for the major advanced economies being the only releases of note.

Economic Data Review

No market-moving data.

Economic Data Preview

- **AU:** ANZ Roy Morgan Consumer Confidence (w/e 21 Mar) – Previous 68.5 (tomorrow).
- **AU:** S&P Global Composite PMI (Mar, flash) – Previous 52.4 (tomorrow).