Market Daily Update

20 MARCH 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7078	0.7%	WTI Crude Oil	94.64	-$4.47
90-day Bill	4.29	2	AUD/JPY	111.78	-0.5%	Brent Crude Oil	108.65	$1.27
3-year Bond	4.71	11	AUD/EUR	0.6115	-0.3%	Mogas95*	137.49	-$0.72
10-year Bond	4.99	3	AUD/GBP	0.5273	-0.5%	CRB Index	364.20	-0.31
			AUD/NZD	1.2057	-0.6%	Gold	4650.54	-$185.84
			AUD/CNY	4.8747	0.4%	Silver	72.85	-$3.03
US			EUR/USD	1.1574	1.0%	Iron Ore (61% Fe)**	107.40	$0.40
2-year	3.79	1	USD/JPY	157.93	-1.2%	Iron Ore (25-26 Average)	103.12	$0.02
10-year	4.25	-2	USD/CNY	6.8909	0.0%	Copper	12146.50	-$249.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.10	ASX200	8465	-39
Other 10-year			Interbank O/N Cash Rate		4.10	Dow Jones	46021	-204
Japan	2.28	2	Probability of a 25bps Hike in May		71.5%	S&P500	6606	-18
Germany	2.96	2	RBA Bond Holdings (27 Feb)		A$250.0b	Stoxx600	584	-14
UK	4.84	11				CSI300	4583	-75

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

The declines in global shares continued overnight, though the scale of losses was trimmed towards the end of the US session, after President Donald Trump repeated that he was not planning a ground invasion of Iran, while Israeli Prime Minister Benjamin Netanyahu pledged to refrain from launching further strikes on energy facilities.

The attempts to calm concerns over further escalation in the Middle East came after Iran carried out retaliatory strikes on energy facilities across the region, in response to the strike on the South Pars gas field the night before. Brent futures remain above yesterday's level at the time of writing, but WTI futures have fallen.

US Treasury yields declined at the long end of the curve, but there were further slight increases for shorter maturities. Outside of the US, long-term government bond yields were higher in Europe and Japan.

Commonwealth bond yields spiked this morning, particularly at the front end of the yield curve, with cash rate hike expectations rising further. 10-year yields touched 5% for the first time since June 2011. The Australian dollar depreciated against all major currencies. The ASX 200 dropped by 1.7% yesterday, as losses in most sectors overshadowed a solid gain in energy, and it opened lower again this morning.

Five of the G10 central banks announced their monetary policy decisions yesterday, and all of them left their policy rates unchanged. However, the ECB increased its near-term inflation forecasts to reflect the rise in energy prices, while Bank of England Governor Andrew Bailey warned about the further upside risks to inflation from the prolonged conflict in the Middle East. Closer to home, the Bank of Japan also left the policy rate unchanged at 0.75% but signalled the need for further tightening if economic activity and the inflation outlook do not change materially.

At home, employment rose by 48.9k in February, more than twice what was expected by the markets and compared to the upwardly revised result for the previous month. The rise was driven by part-time jobs, partly due to more workers deciding to work part-time instead of retiring. The Australian unemployment rate unexpectedly rose back to the still-moderate 4.3%, coming back to levels from October. This came as fewer people waiting to start a job in early 2026 eventually did not begin working until February.

Australian Commonwealth Treasurer Jim Chalmers delivered a pre-Budget speech yesterday, signalling his intention to reduce the estimate of potential growth by 0.25-0.50 percentage points, with an upward revision to migration and workforce participation being offset by a downgrade to productivity and the fertility rate.

Treasurer Chalmers previously said that the Commonwealth Treasury estimates that, if petrol prices remain around current levels, inflation could reach 4.5-5.0% this year. This morning, the Commonwealth Treasury was asked to provide modelling for a potential new tax on gas extraction companies.

Economic Data Review

- **AU:** Employment (monthly change, Feb) – Actual 48.9k, Expected 20.0k, Previous 26.1k (revised).
- **AU:** Unemployment Rate (Feb) – Actual 4.3%, Expected 4.1%, Previous 4.1%.
- **US:** Initial Jobless Claims (w/e 14 Mar) – Actual 205k, Expected 215k, Previous 213k.

Economic Data Preview

No market-moving data.