Market Daily Update

16 JULY 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7006	0.3%	WTI Crude Oil	80.00	-$0.24
90-day Bill	4.46	0	AUD/JPY	113.54	0.3%	Brent Crude Oil	85.27	-$0.62
3-year Bond	4.47	0	AUD/EUR	0.6107	0.0%	Mogas95*	107.21	$1.43
10-year Bond	4.89	1	AUD/GBP	0.5175	-0.7%	CRB Index	379.33	1.87
			AUD/NZD	1.1981	-0.1%	Gold	4058.78	$1.59
			AUD/CNY	4.7435	0.4%	Silver	57.74	-$1.16
US			EUR/USD	1.1472	0.4%	Iron Ore (61% Fe)**	99.95	-$0.15
2-year	4.14	-4	USD/JPY	162.08	0.0%	Iron Ore (26-27 Average)	98.81	$0.15
10-year	4.55	-3	USD/CNY	6.7682	-0.1%	Copper	13581.50	-$61.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	8849	-8
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	52659	150
Japan	2.69	0	Probability of a 25bps Hike in Aug		15.5%	S&P500	7572	29
Germany	3.12	1	RBA Bond Holdings (30 Jun)		A$229.9b	Stoxx600	643	1
UK	4.94	-4				CSI300	4787	-10

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

The downside surprise in US producer price inflation helped further ease concerns about Fed tightening and lifted Wall Street stocks. US Treasury yields declined slightly as fed funds rate expectations eased, although a 25 basis point hike remains fully priced in for December.

Positive global market sentiment helped the Australian dollar appreciate against the weaker greenback and Japanese yen. Commonwealth bond yields were little changed overnight. The ASX 200 rose 0.4% yesterday, with gains and losses mixed across sectors, but it opened weaker this morning.

Oil prices are slightly lower than yesterday morning, but remain volatile as attacks in the Middle East continue. Disappointing Chinese activity data pushed iron ore futures a little lower, although prices remain above US$100 a tonne.

US PPI unexpectedly fell 0.3% in June, lowering annual producer price inflation to 5.5%. The main driver was lower energy prices ahead of the recent re-escalation of the Middle East conflict. Core PPI, which excludes food, energy and trade, rose another 0.1% in June, while annual core PPI inflation remained at an equal four-year high of 5.1%.

The Beige Book, which provides anecdotal evidence of economic developments across the Fed’s twelve districts, pointed to moderate activity growth, rising employment and moderate to robust inflation, including higher transport costs.

The Bank of Canada left its policy rate unchanged at 2.25% yesterday, preferring to wait for greater clarity on the impact of the war in the Middle East. In contrast to the US, a 25 basis point hike is only 70% priced in for this year.

Chinese GDP rose 4.3% over the year to June, below the 4.5% expected by consensus and the weakest result since late 2022, when growth was constrained by ongoing COVID-19 lockdowns. Year-to-date growth slowed to 4.7%, still within the 4.5–5.0% target range for 2026. The downside surprise in Q2 GDP was driven by the sharpest fall in urban fixed asset investment since 2020 (-5.7% YoY YtD). Property investment plunged by a record 18.0% YoY YtD.

On a brighter note, Chinese retail sales and industrial production surprised to the upside in June, rising 1.0% YoY and 5.3% YoY, respectively. Electronic equipment and vehicle manufacturing recorded strong gains, while annual steel output growth turned positive again.

At home, the Commonwealth Bank household spending indicator rose 0.3% in June. Utilities recorded the strongest gain, reflecting the end of energy bill relief measures, while transport posted the largest decline due to lower petrol prices ahead of the recent Middle East re-escalation and a reduction in the fuel excise cut.

Economic Data Review

- **CN:** GDP (YoY, Q2) – Actual 4.3%, Expected 4.5%, Previous 5.0%.
- **CN:** Retail Sales (YoY, Jun) – Actual 1.0%, Expected -0.1%, Previous -0.6%.
- **CN:** Industrial Production (YoY, Jun) – Actual 5.3%, Expected 4.6%, Previous 4.5%.
- **CN:** Urban Fixed Asset Investment (YoY YtD, Jun) – Actual -5.7%, Expected -5.0%, Previous -4.1%.
- **US:** PPI (MoM, Jun) – Actual -0.3%, Expected 0.0%, Previous 0.6% (revised).

Economic Data Preview

- **AU:** Melbourne Institute Inflation Expectations (Jul) – Previous 5.5%.
- **US:** Retail Sales (MoM, Jun) – Expected 0.2%, Previous 0.9%.