MARKET UPDATES

Market Daily Update

19 AUGUST 2026

Interest Rates

Australia		Δ bp
90-day Bill	4.50	-1
3-year Bond	4.57	-1
10-year Bond	5.06	-1
US		
2-year	4.17	-1
10-year	4.70	-3
Other 10-year		
Japan	2.93	-2
Germany	3.26	4
UK	5.08	2

FX

AUD/USD	0.7084	-0.3%
AUD/JPY	112.99	-0.3%
AUD/EUR	0.6118	-0.3%
AUD/GBP	0.5233	-0.3%
AUD/NZD	1.2069	0.2%
AUD/CNY	4.7780	-0.2%
EUR/USD	1.1577	0.0%
USD/JPY	159.51	0.1%
USD/CNY	6.7442	0.1%

RBA Policy

O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Sep	14.0%
RBA Bond Holdings (31 Jul)	A$227.4b

Commodities

WTI Crude Oil	85.43	$0.56
Brent Crude Oil	91.42	$0.39
Mogas95*	116.09	$2.31
CRB Index	396.78	-0.28
Gold	4343.19	-$86.90
Silver	63.00	-$3.40
Iron Ore (61% Fe)**	96.55	$1.05
Iron Ore (26-27 Average)	97.25	$0.00
Copper	13986.50	-$171.00

Equities

ASX200	9047	-33
Dow Jones	53343	-116
S&P500	7692	-53
Stoxx600	652	-5
CSI300	4726	-15

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

The selloff on Wall Street continued overnight, with the S&P 500 down 0.7% for its third consecutive daily decline. Losses were led by technology stocks, particularly chipmakers, with the Philadelphia Semiconductor Index falling 5.0%. US Treasury yields initially edged higher before declining during the US trading session, while the US dollar index was broadly steady near two-month lows.

The US weakness followed another negative session in Europe, where the Stoxx 600 declined for a third straight day. Asian equities were also mostly weaker, with Japanese and South Korean markets posting the largest falls as both reversed strong gains from the previous session. The declines were led by technology stocks.

The Australian equity market steadied after a weak start to close just 3 points lower, although the marginal fall marked the ASX 200's fifth consecutive daily decline. Most sectors finished in the red, led by the major banks, while a strong gain in BHP, together with support from health care, energy and utilities, helped limit the losses. The ASX 200 has opened lower again this morning.

Australian bond yields rose yesterday as traders remained focused on the inflationary implications of higher oil prices, but opened lower this morning to erase all of yesterday's increase. The Australian dollar weakened against all major currencies amid increased risk aversion, making it the worst performer among the G10 currencies.

In commodity markets, oil prices were relatively steady over the past 24 hours, despite reports of further Iranian attacks on shipping in the Strait of Hormuz. The US President reiterated that he was not interested in extending June's interim peace deal, which expired on Monday, and said no negotiations were underway between the US and Iran. Iron ore futures rose yesterday, while gold gave back some of its recent gains.

US economic data provided little direction for markets. Industrial production rose 0.2% in July, following an upwardly revised 0.3% increase in June. Housing starts fell 12.4% in July, although the series can be volatile, and the decline followed a 19.7% jump in the previous month.

Domestically, the Westpac-Melbourne Institute consumer confidence index rose 6.0% in August to 88.9, but remained well below the neutral level of 100 and below its level at this time last year. The improvement was driven by responses after the RBA left the cash rate unchanged and was concentrated among mortgage holders. Views on family finances and the broader economy improved, while the time-to-buy-a-dwelling index jumped 12.1%, supported by moderating house prices and stable interest rates. Labour market perceptions weakened, with the unemployment expectations index rising to slightly above its 20-year average.

Economic Data Review

- **AU:** Westpac-Melbourne Institute – Consumer Sentiment Index (Aug) – Actual 88.9, Previous 83.9.
- **US:** Industrial Production (MoM, Jul) – Actual 0.2%, Expected 0.3%, Previous 0.3% (revised).

Economic Data Preview

- **AU:** Wage Price Index (QoQ, Q2) – Expected 0.8%, Previous 0.8%.
- **UK:** CPI (MoM, Jul) – Expected 0.3%, Previous 0.1%.
- **US:** FOMC Meeting Minutes