Market Daily Update

28 AUGUST 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7198	0.3%	WTI Crude Oil	83.36	$1.77
90-day Bill	4.55	2	AUD/JPY	114.69	0.4%	Brent Crude Oil	89.58	$2.38
3-year Bond	4.66	1	AUD/EUR	0.6177	0.3%	Mogas95*	113.28	$1.94
10-year Bond	5.10	3	AUD/GBP	0.5294	0.2%	CRB Index	405.17	3.52
			AUD/NZD	1.2084	0.1%	Gold	4590.14	-$21.88
			AUD/CNY	4.8353	0.3%	Silver	69.17	$0.45
US			EUR/USD	1.1653	0.0%	Iron Ore (61% Fe)**	98.05	$0.30
2-year	4.23	1	USD/JPY	159.34	0.1%	Iron Ore (26-27 Average)	97.22	$0.02
10-year	4.67	2	USD/CNY	6.7199	0.0%	Copper	14282.50	$29.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	9077	-14
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	53569	106
Japan	2.92	2	Probability of a 25bps Hike in Sep		46.0%	S&P500	7731	55
Germany	3.25	2	RBA Bond Holdings (31 Jul)		A$227.4b	Stoxx600	652	-5
UK	5.03	0				CSI300	4630	39

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

The S&P 500 resumed its climb last night, though gains were limited to information technology amid optimism following solid results from semiconductor producer Nvidia. Other sectors declined, following mixed results in Europe and the Asia-Pacific region.

Government bond yields continued to rise, lifted by a further increase in oil prices. Oil prices were supported by comments from US President Trump that he had no interest in negotiating with Iran. However, the rhetoric softened this morning, with Iran reportedly seeking a diplomatic solution and not ruling out reopening the Strait of Hormuz.

Meanwhile, Fed commentary following the US inflation figures released on Wednesday night was mixed.

On the one hand, Kansas City Fed President Jeffrey Schmid and Cleveland Fed President Beth Hammack appeared to support tighter monetary policy in response to inflation remaining stubbornly above the 2% goal. On the other hand, their Boston and Chicago counterparts, Susan Collins and Austan Goolsbee, appeared more cautious, with Collins saying that monetary policy was already ‘mildly restrictive’.

Attention is now turning to the Jackson Hole symposium, where Fed Chair Kevin Warsh is due to deliver a speech likely to focus on changes to the central bank’s communication framework.

On the data front, US initial and continuing jobless claims declined last week and in the week ending 15 August, respectively. According to an advance report, the US goods trade deficit widened to US$118.5b in July, its worst outcome since March 2025. The deterioration reflected both a 2.9% fall in exports and a 3.7% rise in imports.

In Australia, the upbeat household spending report, coupled with higher global oil prices, further fuelled cash rate hike expectations, pushing Commonwealth bond yields and the Australian dollar higher. The ASX 200 fell by 1.0% yesterday, with modest gains only in health care and industrials, before opening higher this morning.

Nominal household spending rose by 1.1% in July, exceeding the 0.3% expected by market participants and following an upwardly revised 1.0% gain in the previous month (originally +0.8%). The strong result reflected the FIFA World Cup and higher prices for apparel following the end of EOFY sales, food and petrol after the fuel excise cut was reduced.

Private sector capex fell by 3.6% in Q2, after surging by 6.9% in the previous quarter as investment in data centre equipment nearly tripled. As data centre-related spending retreated by 53.0%, investment in new equipment and machinery, which will feed into Q2 GDP data released next week, fell by 8.9%. This was partly offset by a 2.1% increase in spending on buildings and structures, supported by the ongoing construction of data centres and renewable energy projects.

Economic Data Review

- **AU:** Household Spending (MoM, Jul) – Actual 1.1%, Expected 0.3%, Previous 1.0% (revised).
- **AU:** Private Sector Capex (QoQ, Q2) – Actual -3.6%, Expected 0.8%, Previous 6.9% (revised).
- **US:** Initial Jobless Claims (w/e 22 Aug) – Actual 203k, Expected 208k, Previous 207k (revised).
- **US:** Goods Trade Balance (Jul, adv.) – Actual -US$118.8b, Expected -US$100.5b, Previous -US$101.4b (revised).

Economic Data Preview

- **US:** Jackson Hole Symposium.