MARKET UPDATES

Market Daily Update

03 SEPTEMBER 2026

Interest Rates

Australia		∆ bp
90-day Bill	4.56	0
3-year Bond	4.77	-1
10-year Bond	5.18	-3
US		
2-year	4.37	-3
10-year	4.77	-3
Other 10-year		
Japan	2.97	-3
Germany	3.38	3
UK	5.23	1

FX

AUD/USD	0.7163	0.3%
AUD/JPY	113.82	-0.5%
AUD/EUR	0.6184	0.3%
AUD/GBP	0.5313	0.5%
AUD/NZD	1.2238	0.9%
AUD/CNY	4.8160	0.3%
EUR/USD	1.1586	0.0%
USD/JPY	158.89	-0.8%
USD/CNY	6.7192	0.0%

RBA Policy

O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Sep	70.0%
RBA Bond Holdings (31 Aug)	A$227.4b

Commodities

WTI Crude Oil	90.72	-$0.24
Brent Crude Oil	95.26	-$0.20
Mogas95*	118.18	$3.68
CRB Index	416.84	-0.46
Gold	4387.61	$65.55
Silver	65.26	$1.18
Iron Ore (61% Fe)**	97.65	-$1.45
Iron Ore (26-27 Average)	97.34	-$0.03
Copper	14215.50	-$59.00

Equities

ASX200	8985	35
Dow Jones	53062	295
S&P500	7667	35
Stoxx600	646	-2
CSI300	4548	-63

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

Wall Street shrugged off the recent rise in oil prices and the ongoing Middle East conflict. Traders instead focused on weaker-than-expected US private employment data from ADP and reassuring inflation comments from New York Fed President and FOMC Vice Chair John Williams. The improved tone saw the S&P 500 snap a three-day losing streak. US Treasury yields initially rose before easing, with the 10-year yield falling for the first time in five days as traders pared back pricing for further Fed rate hikes, although a September increase remains more than 60% priced in.

The gains on Wall Street followed further losses in Europe, where sentiment remains under pressure from rising energy prices, and declines across most of the Asia-Pacific region. Domestically, the ASX 200 recovered some of its early losses yesterday but still closed 1.0% lower, its third consecutive daily fall, with miners the largest drag on the index.

Australian bond yields rose sharply yesterday following stronger-than-expected Australian GDP growth in Q2 but have since given up those gains, and more, this morning. The Australian dollar gained against most major currencies as market pricing for a September RBA rate increase rose to more than 70%.

The Japanese yen was the strongest G10 currency following hawkish comments from Bank of Japan officials, which further reinforced expectations of a rate hike later this month.

In commodity markets, oil prices initially rose, with Brent futures peaking at US$97 a barrel, before easing after the US President said the US controls the Strait of Hormuz and that oil is increasingly flowing through. He also repeated that the war is likely to be over soon. Lower US Treasury yields helped push gold prices higher, while iron ore futures gave up some recent gains as demand concerns resurfaced.

In central bank news, the Reserve Bank of New Zealand raised is official cash rate by 25 basis points to 2.75%, while the Bank of Canada kept their policy rate unchanged at 2.25%. Both decisions were expected.

The ADP employment report overnight suggests US employment growth remains relatively soft, with private payrolls rising just 38k in August, the lowest increase since January, following another tepid 46k gain in July. However, the ADP series has proved to be an unreliable guide to the official payrolls data due on Friday.

Australian GDP growth was a little stronger than expected in Q2, rising 0.4% (mkt. exp. 0.3%) after a 0.3% increase in Q1. Annual growth eased to 2.1% YoY from 2.5% in the year to Q1. Growth was led by household spending, with government consumption, dwelling investment and net exports also contributing. Private business and public sector investment eased. The decline in private business investment followed a strong data centre-driven rise in Q1.

Economic Data Review

- **AU:** GDP (QoQ, Q2) – Actual 0.4%, Expected 0.3%, Previous 0.3%.
- **NZ:** RBNZ (Official Cash Rate) – Actual 2.75%, Expected 2.75%, Previous 2.50%
- **US:** ADP Employment (Monthly Change, Aug) – Actual 38k, Expected 48k, Previous 46k (revised).

Economic Data Preview

- **AU:** Trade Balance (Jul) – Expected A$1.5b, Previous A$1.9b
- **CH:** RatingDog Services PMI (Aug) – Expected 54.3, Previous 50.4.
- **US:** ISM Services PMI (Aug) **–** Expected 54.1, Previous 54.1.