Market Daily Update

07 AUGUST 2026

Interest Rates

		Δ bp
Australia		
90-day Bill	4.51	1
3-year Bond	4.53	6
10-year Bond	5.00	9
US		
2-year	4.25	7
10-year	4.68	7
Other 10-year		
Japan	2.80	1
Germany	3.14	3
UK	4.94	5

FX

AUD/USD	0.7028	-0.4%
AUD/JPY	111.41	0.1%
AUD/EUR	0.6100	-0.1%
AUD/GBP	0.5225	-0.3%
AUD/NZD	1.1984	-0.1%
AUD/CNY	4.7485	-0.4%
EUR/USD	1.1521	-0.3%
USD/JPY	158.52	0.5%
USD/CNY	6.7513	0.0%

Commodities

WTI Crude Oil	78.24	$3.27
Brent Crude Oil	83.65	$4.33
Mogas95*	100.51	$2.94
CRB Index	377.00	2.51
Gold	4235.48	-$50.44
Silver	61.28	-$1.05
Iron Ore (61% Fe)**	95.50	$0.40
Iron Ore (26-27 Average)	97.75	$0.00
Copper	14103.50	-$7.00

RBA Policy

O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Aug	0.0%
RBA Bond Holdings (31 Jul)	A$227.4b

Equities

ASX200	9236	-41
Dow Jones	53885	-464
S&P500	7710	-14
Stoxx600	658	1
CSI300	4651	-7

*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 edged lower again on Thursday night as investors awaited official US jobs figures due tonight, while recognising that reopening the Strait of Hormuz may take longer than hoped amid escalating rhetoric and military action in the Middle East. The Dow Jones also retreated from its record high, while the tech-heavy Nasdaq was little changed. This followed mixed results across Europe and the Asia-Pacific region.

Talks between Iran and Oman on reopening the Strait of Hormuz continue, but Iran reportedly requested that US and Israeli ships be barred from crossing the Strait, with the option of imposing a 20% penalty on vessels that violate the ban.

Iran also threatened to target Persian Gulf countries if the US carries out fresh strikes against Iran. This followed reports that the Iranian-backed Houthi military group had killed more than 10 civilians in attacks on Saudi Arabia and 30 Yemeni soldiers in a separate strike.

The renewed escalation in Middle East tensions drove a rebound in oil prices overnight, with Brent futures rising back above US$80 a barrel. Iron ore futures are also slightly higher ahead of Chinese trade figures due later today.

The Australian dollar depreciated against all major currencies except the weaker Japanese yen, which continues to drift lower despite foreign exchange intervention last week. Commonwealth bond yields followed their US equivalents higher amid renewed concerns about the outlook for inflation and interest rates. The ASX 200 eased from the record high reached yesterday.

More second-tier US labour market data were released last night. Initial jobless claims were little changed at a relatively low 199k last week, while continuing claims rose above 1.8m in the week ending 25 July, though still moderate by historical standards.

A separate report from Challenger, Gray and Christmas showed that US employers announced 33k job cuts in July, down 27% from the previous month and the lowest level in two years. Employers also announced plans to hire 16k workers, up 47% from June and the highest July figure since 2022.

In Australia, the goods trade balance unexpectedly returned to surplus in June, reflecting a broad-based 9.6% rebound in exports, led by volatile non-monetary gold and iron ore. Imports fell, as declines across most major categories were almost entirely offset by stronger non-monetary gold imports. The value of fuel imports declined amid lower global prices following the temporary ceasefire between the US and Iran that began in mid-June.

Economic Data Review

- **AU:** Goods Trade Balance (Jun) – Actual A$1.9b, Expected -A$1.1b, Previous -A$2.4b (revised).
- **US:** Initial Jobless Claims (w/e 1 Aug) – Actual 199k, Expected 205k, Previous 198k (revised).

Economic Data Preview

- **US:** Non-farm Payrolls (monthly change, Jul) – Expected 80k, Previous 57k.
- **US:** Unemployment Rate (Jul) – Expected 4.2%, Previous 4.2%.
- **US:** New York Fed One-year Consumer Inflation Expectations (Jul) – Expected 3.7%, Previous 3.7%.