Market Daily Update

12 JUNE 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7047	0.7%	WTI Crude Oil	86.28	-$6.04
90-day Bill	4.47	1	AUD/JPY	112.88	0.5%	Brent Crude Oil	89.08	-$6.07
3-year Bond	4.44	-8	AUD/EUR	0.6090	0.4%	Mogas95*	113.09	-$2.06
10-year Bond	4.82	-9	AUD/GBP	0.5254	0.3%	CRB Index	369.75	-3.67
			AUD/NZD	1.2089	0.1%	Gold	4226.77	$163.66
			AUD/CNY	4.7623	0.3%	Silver	67.73	$4.68
US			EUR/USD	1.1571	0.3%	Iron Ore (61% Fe)**	101.70	-$0.05
2-year	4.07	-8	USD/JPY	160.18	-0.2%	Iron Ore (25-26 Average)	103.88	-$0.01
10-year	4.47	-10	USD/CNY	6.7746	0.0%	Copper	13482.50	-$33.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	8788	212
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	50849	930
Japan	2.66	-4	Probability of a 25bps Hike in Jun		0.0%	S&P500	7394	127
Germany	3.03	-4	RBA Bond Holdings (29 May)		A$229.8b	Stoxx600	622	3
UK	4.91	-3				CSI300	4722	-26

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

US equities were relatively steady in the first half of the overnight session as traders awaited news from the Middle East amid signs the war is escalating again. However, the market jumped in the second half of the session after the US President announced that he had called off planned strikes and that a peace deal with Iran is near. President Trump has since said a deal could be signed this weekend. The news is yet to be confirmed by Iran.

The President's announcement also drove a rally in US Treasuries (pushing yields lower), weakened the greenback and pushed the Aussie dollar higher. Oil prices fell to a three-month low, while the declines in bond yields and the big dollar helped push gold prices higher.

The volatility on Wall Street followed a positive session in Europe, where the pan-European Stoxx 600 broke a run of four consecutive daily losses, and a mainly negative day in the Asia-Pacific.

The ASX 200 fell for the fourth time in the past five days, led by declines in the big four banks. Information technology shares had a bigger decline in absolute terms but have a much smaller footprint on the ASX. The Aussie market has opened sharply higher this morning.

Commonwealth government bond yields have opened sharply lower this morning, falling to three-month lows, following the decline in US Treasury yields.

The US producer price index rose by 1.1% in May, the same as in the downwardly revised result for the previous month, but above market expectations of a 0.7% gain. The core PPI, which excludes food, energy and trade, picked up by 0.8%, more than in April and above the consensus. The annual rates of PPI inflation bounced to 6.5% and 5.1%, respectively; in both cases this is the highest level since late 2022.

US initial jobless claims were little changed at a moderate 229k last week, while continued claims also held steady at just below 1.8m in week ending 30 May.

The ECB increased its policy rates by 25bps yesterday, as expected, taking the deposit rate to 2.25%, with ECB President Christine Lagarde striking a hawkish tone at the press conference, hinting at further tightening ahead. The latest ECB economic projections are forecasting core inflation to remain above the 2% goal until the end of the forecast horizon in 2028. Another 25bps rate hike at the July meeting is around 60% priced in and fully priced in for September.

Melbourne Institute consumer inflation expectations ebbed by 0.1ppts to 5.5% in June, having come off its March high of 5.9% and remaining significantly below the 2022 highs (6.7% in mid-2022), but above the 30-year average of 4.4%.

Economic Data Review

- **AU:** Melbourne Institute Consumer Inflation Expectations (Jun) – Actual 5.5%, Previous 5.6%.
- **US:** PPI (MoM, May) – Actual 1.1%, Expected 0.7%, Previous 1.1% (revised).
- **US:** Initial Jobless Claims (w/e 6 Jun) – Actual 229k, Expected 220k, Previous 225k.

Economic Data Preview

- **UK:** GDP (QoQ, Q1) – Expected -0.1%, Previous 0.3%.
- **US:** University of Michigan Consumer Confidence (Jun, prel.) – Expected 46.0, Previous 44.8.