MARKET UPDATES

Market Daily Update

01 JULY 2026

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.6909	0.3%	WTI Crude Oil	70.04	-$0.17
90-day Bill	4.47	0	AUD/JPY	112.38	0.8%	Brent Crude Oil	73.39	$0.24
3-year Bond	4.40	3	AUD/EUR	0.6054	0.4%	Mogas95*	93.31	-$5.54
10-year Bond	4.77	4	AUD/GBP	0.5214	0.4%	CRB Index	353.61	2.30
			AUD/NZD	1.2174	-0.1%	Gold	4002.69	-$12.56
			AUD/CNY	4.6969	0.3%	Silver	58.41	-$0.09
US			EUR/USD	1.1413	-0.1%	Iron Ore (61% Fe)**	98.70	-$0.25
2-year	4.16	6	USD/JPY	162.66	0.5%	Iron Ore (25-26 Average)	103.65	$0.00
10-year	4.46	8	USD/CNY	6.7870	-0.1%	Copper	13375.00	$96.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	8731	-93
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	52319	136
Japan	2.72	8	Probability of a 25bps Hike in Aug		18.6%	S&P500	7499	59
Germany	2.86	0	RBA Bond Holdings (29 May)		A$229.8b	Stoxx600	642	6
UK	4.76	4				CSI300	4979	53

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

Wall Street finished what was a very good quarter with even more gains, supported by further encouraging signals about the Middle East conflict. The S&P 500 rose by 0.8% on Tuesday night, with increases again driven by information technology, to be up by 14.9% for the quarter, the most in six years.

After some confusion, US and Iranian officials eventually travelled to Qatar for another round of shuttle negotiations, mediated by local authorities. On the ground, according to Bloomberg data, the number of vessels crossing through the Strait of Hormuz has halved over the past few days, but remains in double-digits. Oil prices were little changed overnight.

Despite the encouraging news from the Middle East, bond yields rose across most of the advanced economies. This followed hawkish comments by Cleveland Fed President Beth Hammack, who said that fed funds rate hikes might be necessary to bring inflation down to target.

The Australian dollar appreciated against all the major currencies, especially versus the weaker Japanese yen, which reached its weakest level since mid-1980s overnight. Commonwealth bond yields rose less than their US equivalents. The ASX 200 declined by 0.5% yesterday, with losses in most sectors led by real estate, before opening lower today.

From the US data released overnight, Conference Board consumer confidence picked up a little in June, though from a downwardly revised level in the previous month. US JOLTS job openings were little changed in May, at just slightly below 7.6m and roughly 300k above the level of officially unemployed.

Across the Pacific, the Chinese NBS composite PMI increased by 0.1pts to 50.6 (above 50 = expansion), with moderate but sluggish expansion in manufacturing (+0.3pts to 50.3) and services (+0.1pts to 50.4), and ongoing but slower contraction in construction (+0.2pts to 49.0).

In Australia, the minutes from the RBA Monetary Policy Board meeting in June maintained the relatively hawkish tone of the post-meeting statement. It assessed that the financial conditions are now ‘somewhat restrictive’ and explicitly stated that increasing the cash rate remains on the table. It was also stressed that monetary policy needs to remain restrictive to unwind excess demand through below-trend growth.

Aussie private sector credit rose by 0.7% in May, the same as the previous month and slightly more than the 0.6% consensus expectation, taking the annual rate of growth to 8.2%, the highest since late 2022.

The Cotality home value report suggested that the decline in the capital city average in home prices accelerated in June, with a 0.6% fall compared to a 0.1% decline in the previous month. The drop was again driven by Sydney (-1.2%) and Melbourne (-1.0%). Perth home prices rose by 0.7%, with the median value reaching A$1,047k.

Economic Data Review

- **AU:** Cotality Home Value Index (MoM, Jun) – Actual -0.6%, Previous -0.1%.
- **AU:** Private Sector Credit (MoM, May) – Actual 0.7%, Expected 0.6%, Previous 0.7%.
- **CH:** NBS Composite PMI (Jun) – Actual 50.6, Previous 50.5.
- **US:** Conference Board Consumer Confidence (Jun) – Actual 91.2, Expected 94.4, Previous 90.6.
- **US:** JOLTS Job Openings (May) – Actual 7.6m, Expected 7.3m, Previous 7.6m.

Economic Data Preview

- **AU:** Dwelling Approvals (MoM, May) – Expected 0.0%, Previous -3.4%.