Market Daily Update

18 NOVEMBER 2026

Interest Rates (%)		
Australia		**Δ bp**
90-day Bill	4.95	1
3-year Bond	4.77	-1
10-year Bond	5.11	-1
US		
2-year	4.81	-1
10-year	5.11	-1
Other 10-year		
Japan	2.88	-1
Germany	3.38	-1
UK	5.37	0

FX		
AUD/USD	0.6734	0.0%
AUD/JPY	107.40	0.1%
AUD/EUR	0.6127	0.1%
AUD/GBP	0.5100	-0.1%
AUD/NZD	1.2253	0.1%
AUD/CNY	4.4924	0.0%
EUR/USD	1.0989	0.0%
USD/JPY	159.50	0.0%
USD/CNY	6.6662	0.0%

RBA Policy	
O/N Cash Rate Target	4.85
Interbank O/N Cash Rate	4.85
Probability of a 25bps Hike in Dec	2.7%
RBA Bond Holdings (30 Oct)	A$213.6b

Commodities US$		
WTI Crude Oil	85.65	$0.37
Brent Crude Oil	93.14	$0.70
Mogas95*	98.01	-$0.16
CRB Index	380.39	0.63
Gold	3831.64	-$26.35
Silver	47.20	$0.12
Iron Ore (61% Fe)**	87.40	-$0.50
Iron Ore (26-27 Average)	94.98	-$0.09
Copper	13226.50	-$29.50

Equities		
ASX200	8865	-50
Dow Jones	50759	-849
S&P500	7341	-76
Stoxx600	651	-12
CSI300	3976	-3

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

The declines in US stocks continued last night and remained broad-based, dragged down by expectations of a looming fed funds rate hike amid the slight upside surprise to US retail sales figures and some further hawkish Fedspeak. US investors were also awaiting the results of the recently troubled semiconductor poster child, Nvidia. The results, released after the market was closed, proved way stronger than expected, resulting in a rise in US stock futures.

The AUD/USD remained around its 2026 lows overnight, but the Australian dollar managed to appreciate against the euro and Japanese yen. Commonwealth bond yields have declined a little since yesterday morning. The ASX 200 dropped by 1.8% yesterday, before opening lower this morning.

US retail sales rose by 0.2% in October, slightly more than the 0.1% expected by market participants, but less than the 0.8% in the previous month. Deceleration was caused mainly by the volatile car sales and slowdown in growth of petrol stations sales. Retail sales control group, which excludes food, cars, petrol stations and building materials, and is a good indicator for personal consumption in the national accounts, picked up by a solid 0.6%.

US industrial production declined by 0.4% in October, reflecting a fall in mining and utilities, while manufacturing picked up by 0.3%.

Speaking overnight, St Louis Fed President Alberto Musalem said that a total of 100bps monetary policy tightening might be required in the coming months. His colleagues were a bit more restrained, with New York Fed President John Williams saying that there is no need for ‘dramatic action’, but stressed that the Fed needs to ‘get inflation down’. His Cleveland counterpart Beth Hammack echoed these comments, saying that she prefers ‘slow, steady increments’.

Across the Atlantic, the UK unemployment rate unexpectedly ebbed to 4.6%, while employment rose more than expected in the three months to September.

At home, RBA Monetary Policy Board minutes confirmed that the decision to increase the cash rate to an 18-year high of 4.85% on Melbourne Cup Day was made by a 6-3 majority, with those preferring to stay put focusing more on the downside risks to growth and wanting to see the impacts of tightening earlier in the year, but seeing a case for further rate hikes in the following months.

The minutes reminded that the decision to raise the cash rate was founded on concerns about the further deterioration in the outlook for inflation with risks tilted to the upside and that financial conditions might be insufficiently restrictive.

RBA Governor Michele Bullock participated at a conference panel yesterday, which focused largely on more structural challenges for the economy. However, she also repeated that she was more concerned about upside risks to inflation than downside risks to growth.

Economic Data Review

- **UK:** Unemployment Rate (Jul-Sep) – Actual 4.6%, Expected 4.7%, Previous 4.7%.
- **US:** Retail Sales (MoM, Oct) – Actual 0.2%, Expected 0.1%, Previous 0.8%.
- **US:** Industrial Production (MoM, Oct) – Actual -0.4%, Expected 0.1%, Previous 0.7%.

Economic Data Preview

- **AU:** Wage Price Index (QoQ, Q3) – Expected 1.0%, Previous 0.8%.
- **US:** FOMC Minutes.