Market Daily Update

04 SEPTEMBER 2026

Interest Rates			FX			Commodities		
Australia		Δ bp	AUD/USD	0.7203	0.5%	WTI Crude Oil	91.58	$0.72
90-day Bill	4.59	-1	AUD/JPY	112.25	-1.3%	Brent Crude Oil	95.70	$0.40
3-year Bond	4.74	-2	AUD/EUR	0.6195	0.2%	Mogas95*	117.83	-$0.32
10-year Bond	5.17	-2	AUD/GBP	0.5325	0.2%	CRB Index	416.70	-0.14
			AUD/NZD	1.2240	0.0%	Gold	4473.88	$89.89
			AUD/CNY	4.8412	0.5%	Silver	66.83	$1.58
US			EUR/USD	1.1626	0.3%	Iron Ore (61% Fe)**	98.80	$1.00
2-year	4.34	-3	USD/JPY	155.84	-1.8%	Iron Ore (26-27 Average)	97.39	$0.05
10-year	4.76	-1	USD/CNY	6.7183	0.0%	Copper	14333.50	$118.00
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	9034	62
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	53686	624
Japan	2.92	-5	Probability of a 25bps Hike in Sep		64.0%	S&P500	7748	81
Germany	3.34	-3	RBA Bond Holdings (31 Aug)		A$227.4b	Stoxx600	649	3
UK	5.13	-10				CSI300	4553	5

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

US equities rose again overnight as traders scaled back expectations for a September Fed rate hike following comments from Governor Christopher Waller. Waller said next week's CPI data would heavily influence his decision and appeared to favour keeping rates unchanged, although a "hot" inflation print could still prompt support for a hike. Pricing for a 16 September Fed rate hike fell from 63% to 50%, pushing Treasury yields lower for a second day, especially at the policy-sensitive front end, and weighing modestly on the US dollar.

The fall in bond yields helped lift equities across most of Europe, with the Stoxx 600 rising for the first time in four days. Trade was mixed in the Asia-Pacific, although most major markets finished higher despite some intraday volatility. Locally, the ASX 200 ended a three-day losing streak, rising 0.5% led by major banks and miners, although gains were limited by a fall in BHP. The Australian market has opened higher again this morning.

Australian Government bond yields edged down yesterday and have been steady in early trade this morning. Pricing for an RBA cash rate increase at the end of September has edged down to 64% after rising to as high as 70% yesterday morning.

The Australian dollar was supported by expectations for an RBA cash rate hike and improved sentiment on financial markets, rising against all the major currencies except for the stronger Japanese yen. The AUD/USD closed above US$0.72 for the first time since May. The Japanese yen continues to be supported by hawkish comments from Bank of Japan officials and ongoing speculation that authorities are considering further market intervention to support the currency.

The Middle East conflict continues to put upward pressure on oil prices, while gold rose again as the US dollar weakened and bond yields fell. Iron ore futures prices bounced back from earlier losses.

The US ISM services PMI rose 1.3pts to 55.4 in August, pointing to faster activity growth (above 50 = expansion). Activity and new orders increased, but employment fell for a second consecutive month. Supplier deliveries slowed and the prices paid index rose to its highest since August 2022. Tariffs and the Middle East conflict were the main drivers of supply chain issues mentioned by respondents, while the data centre buildout continues to contribute to shortages in computer components, GPUs and memory chips.

Australia's seasonally adjusted goods trade surplus declined by A$418m to A$1.9b in July from the upwardly revised A$2.3b in the previous month (originally A$1.9b). The deterioration in the trade surplus was caused by a 3.3% fall in exports, partly offset by a 2.5% decline in imports.

Economic Data Review

- **AU**: Trade Balance (Jul) – Actual A$1.9b, Expected A$1.5b, Previous A$2.3b (revised).
- **CH**: RatingDog Services PMI (Aug) – Actual 51.4, Expected 50.6, Previous 50.4.
- **US**: ISM Services PMI (Aug) – Actual 55.4, Expected 54.1, Previous 54.1.

Economic Data Preview

- **US:** Non-Farm Payrolls (Monthly Change, Aug) – Expected 55k, Previous -23k.
- **US:** Unemployment Rate (Aug) – Expected 4.1%, Previous 4.1%.