Market Daily Update

27 AUGUST 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7179	0.2%	WTI Crude Oil	81.59	$0.69
90-day Bill	4.54	5	AUD/JPY	114.26	0.2%	Brent Crude Oil	87.20	$0.36
3-year Bond	4.65	12	AUD/EUR	0.6159	0.3%	Mogas95*	111.34	$4.32
10-year Bond	5.08	8	AUD/GBP	0.5281	0.6%	CRB Index	401.65	1.78
			AUD/NZD	1.2072	0.7%	Gold	4612.02	-$24.81
			AUD/CNY	4.8208	0.2%	Silver	68.72	$0.21
US			EUR/USD	1.1657	-0.1%	Iron Ore (61% Fe)**	97.75	$0.55
2-year	4.21	2	USD/JPY	159.15	0.0%	Iron Ore (26-27 Average)	97.20	$0.04
10-year	4.65	1	USD/CNY	6.7221	0.0%	Copper	14253.00	-$96.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	9090	-104
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	53464	-114
Japan	2.90	2	Probability of a 25bps Hike in Sep		42.0%	S&P500	7676	-2
Germany	3.23	3	RBA Bond Holdings (31 Jul)		A$227.4b	Stoxx600	656	0
UK	5.03	4				CSI300	4591	39

*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 closed virtually flat last night, while the tech-heavy Nasdaq edged lower as investors remained cautious ahead of Nvidia's earnings. The semiconductor company's results, released after the US market close, were upbeat, particularly with regard to its sales outlook, prompting a fresh rise in US equity futures.

US government bond yields edged higher as PCE inflation surprised to the upside, while oil prices rose slightly following a smaller-than-expected increase in US fuel inventories.

The US PCE price index rose 0.2% in July, slightly above the 0.1% consensus, while annual PCE inflation remained at 3.7%. Annual core inflation was also unchanged at 3.3%, leaving both headline and core inflation substantially above the Fed's 2% goal. US personal spending rose another 0.2% in nominal terms but stagnated in real terms.

Among other US data, the rise in durable goods orders exceeded expectations in July, but solely due to volatile aircraft orders, while non-defence orders excluding aircraft disappointed. US Q2 GDP growth estimate was unchanged at 1.5%.

In Australia, the annual rate of headline consumer price inflation declined to 3.5% in July, above market expectations of 3.3% and the RBA's 2-3% target range. Annual trimmed mean inflation remained at 3.6%, compared with expectations for a slight decline to 3.5%. Demand-driven services and non-tradables inflation remained elevated.

The upside surprise in domestic inflation led to a renewed intensification of cash rate hike expectations, with a 25bps hike now more than 40% priced in for September and fully priced in for this cycle. Three of the 'Big Four' banks are again calling for a rate hike in November.

The renewed intensification of cash rate hike expectations lifted Commonwealth bond yields and strengthened the Australian dollar against all major currencies. The ASX 200 closed 0.4% higher yesterday, though gains and losses were evenly split across sectors. The Australian share market opened lower this morning.

Yesterday also saw the release of construction work done, which fell 2.1% in Q2, mainly due to a setback in engineering work in Western Australia following a strong gain in the previous quarter.

Among second-tier domestic data, the six-month annualised growth rate in the Westpac Leading Index, which signals economic growth relative to trend three to nine months ahead, remained negative, though the pace of decline slowed compared with the previous month.

Economic Data Review

- **AU:** CPI (YoY, Jul) – Actual 3.5%, Expected 3.3%, Previous 3.8%.
- **AU:** Construction Work Done (QoQ, Q2) – Actual -2.1%, Expected 1.0%, Previous 4.3% (revised).
- **US:** Personal Spending (MoM, Jul) – Actual 0.2%, Expected 0.1%, Previous 0.3%.
- **US:** PCE Price Index (MoM, Jul) – Actual 0.2%, Expected 0.1%, Previous -0.1%.
- **US:** Durable Goods Orders (MoM, Jul) – Actual 1.1%, Expected 0.5%, Previous 0.5%.
- **US:** GDP (QoQ annualised, Q2, 2nd estimate) – Actual 1.5%, Expected 1.5%, Previous 1.5%.

Economic Data Preview

- **AU:** Household Spending (MoM, Jul) – Expected 0.3%, Previous 0.8%.
- **AU:** Private Sector Capex (QoQ, Q2) – Expected 0.8%, Previous 6.5%.
- **US:** Initial Jobless Claims (w/e 22 Aug) – Expected 208k, Previous 206k.