Market Daily Update

26 AUGUST 2026

Interest Rates			FX			Commodities		
Australia		∆ bp	AUD/USD	0.7166	0.1%	WTI Crude Oil	80.90	-$4.21
90-day Bill	4.49	0	AUD/JPY	114.04	0.1%	Brent Crude Oil	86.84	-$5.24
3-year Bond	4.53	-2	AUD/EUR	0.6138	0.1%	Mogas95*	107.02	-$4.78
10-year Bond	5.00	-3	AUD/GBP	0.5251	0.0%	CRB Index	399.87	-3.02
			AUD/NZD	1.1990	-0.1%	Gold	4636.83	-$58.50
			AUD/CNY	4.8117	0.1%	Silver	68.51	-$1.07
US			EUR/USD	1.1674	0.0%	Iron Ore (61% Fe)**	97.20	-$0.65
2-year	4.19	-6	USD/JPY	159.14	0.0%	Iron Ore (26-27 Average)	97.16	-$0.02
10-year	4.63	-7	USD/CNY	6.7204	0.0%	Copper	14349.50	$76.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		4.35	ASX200	9195	44
Other 10-year			Interbank O/N Cash Rate		4.35	Dow Jones	53577	160
Japan	2.88	-1	Probability of a 25bps Hike in Sep		14.0%	S&P500	7677	24
Germany	3.20	-5	RBA Bond Holdings (31 Jul)		A$227.4b	Stoxx600	656	2
UK	4.99	-7				CSI300	4552	-11

*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 picked up last night, supported by a rebound in information technology stocks, particularly semiconductors, while other sectors were mixed. The tech-heavy Nasdaq closed 0.7% higher, twice more than the S&P 500 and Dow Jones.

The drop in oil prices accelerated amid signs of fresh diplomatic efforts to ease the conflict between the US and Iran. Easing inflation concerns dragged government bond yields lower in the US and Europe.

US Treasury Secretary Scott Bessent announced new economic sanctions on Iran and its trading partners, but rather than being blanket measures, they were more targeted, focusing on 60 individuals and entities. This came as US Secretary of State Marco Rubio reportedly said that the US focus is moving from military strikes to economic pressure on Iran. Pakistani army chief Asim Munir visited Iran in yet another attempt at facilitating shuttle negotiations between the US and Iran.

The improvement in global market sentiment supported the AUD, which appreciated slightly against all the major currencies but the GBP. Commonwealth bond yields declined less than their global equivalents. The ASX 200 rose by 0.7% yesterday, with gains in all sectors except energy and real estate, before opening higher this morning.

Data-wise, US Conference Board consumer confidence dropped by another 0.9% in August amid a deterioration in expectations, while the assessment of the current situation improved markedly. The difference between the assessment that jobs are ‘plentiful’ and ‘hard to get’ widened to a four-month high.

The minutes from the August RBA Monetary Policy Board meeting were a bit on the hawkish side. While the Board members acknowledged that there had been progress towards the objectives since the previous meeting, helped by ‘somewhat restrictive’ monetary conditions, the August projection pointed to only a gradual decline in inflation, with risks tilted to the upside.

The document confirmed that a 25bps hike was discussed at the August meeting, but consensus was reached that the evidence suggests that monetary policy settings were sufficiently restrictive to bring the economy back to balance. However, it was stressed that the Board members would remain alert to the upside risks to inflation. Several members appeared more convinced that the upside risks could materialise, which would justify further monetary policy tightening.

Economic Data Review

- **US:** Conference Board Consumer Confidence Index (Aug) – Actual 89.4, Expected 90.2, Previous 90.2 (revised).
- **US:** Case-Shiller House Price Index 20 Cities (MoM, Jul) – Actual 0.2%, Expected 0.1%, Previous 0.2%.

Economic Data Preview

- **AU:** CPI (YoY, Jul) – Expected 3.3%, Previous 3.8%.
- **AU:** Westpac Leading Index (MoM, Jul) – Previous 0.0%.
- **AU:** Construction Work Done (QoQ, Q2) – Expected 1.0%, Previous 3.4%.
- **US:** Personal Spending (MoM, Jul) – Expected 0.1%, Previous 0.3%.
- **US:** PCE Price Index (MoM, Jul) – Expected 0.1%, Previous -0.1%.
- **US:** Durable Goods Orders (MoM, Jul) – Expected 0.5%, Previous 0.5%.
- **US:** GDP (QoQ, Q1, 2nd estimate) – Expected 1.5%, Previous 1.5%.