Market Daily Update

10 SEPTEMBER 2026

Interest Rates		
Australia		Δ bp
90-day Bill	4.63	1
3-year Bond	4.89	7
10-year Bond	5.27	7
US		
2-year	4.43	3
10-year	4.84	5
Other 10-year		
Japan	2.92	2
Germany	3.44	8
UK	5.26	9

FX		
AUD/USD	0.7217	-0.1%
AUD/JPY	110.88	0.0%
AUD/EUR	0.6205	-0.1%
AUD/GBP	0.5328	-0.1%
AUD/NZD	1.2348	0.2%
AUD/CNY	4.8419	-0.1%
EUR/USD	1.1631	0.0%
USD/JPY	153.64	0.1%
USD/CNY	6.7084	0.0%

RBA Policy	
O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Sep	76.0%
RBA Bond Holdings (31 Aug)	A$227.4b

Commodities		
WTI Crude Oil	96.63	$1.99
Brent Crude Oil	101.37	$1.85
Mogas95*	124.44	-$1.22
CRB Index	423.11	3.54
Gold	4392.54	$45.95
Silver	67.26	$1.51
Iron Ore (61% Fe)**	99.10	-$1.20
Iron Ore (26-27 Average)	97.61	$0.02
Copper	14767.50	$59.00

Equities		
ASX200	8796	-123
Dow Jones	52381	-405
S&P500	7636	-37
Stoxx600	640	-9
CSI300	4573	14

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

The selloff on Wall Street continued as escalating US-Iran strikes lifted oil prices further, intensifying inflation concerns and pushing US Treasury yields higher ahead of key US inflation data. The S&P 500 declined for a third consecutive session, led lower by industrials, consumer discretionary and information technology. Losses were broad-based, with energy the only sector to finish higher.

European equities also declined broadly as surging European gas prices, driven by the Middle East escalation, added to concerns ahead of tonight's ECB meeting. Markets have fully priced in a 25-basis point rate increase, with the probability of another hike by year-end close to 90%.

Asia-Pacific markets followed a similar pattern, with most closing lower, although the tech-heavy South Korean Kospi recorded a solid gain.

Locally, the ASX 200 fell for the third time in four sessions, as further weakness in the major banks offset a rebound in miners. Australian bond yields opened sharply higher this morning, tracking the overnight rise in global yields, while expectations continued to build for an RBA cash rate hike later this month. The Australian dollar has softened against the majors but remained resilient given global uncertainty, supported by strong commodity prices and recent hawkish RBA commentary.

Brent crude futures rose above US$100 a barrel, closing at their highest level since May, while spot prices were higher still at US$114.45. Iron ore futures slipped below US$100 a tonne, while gold gained as heightened uncertainty outweighed the drag from higher bond yields. Copper closed at a new all-time high.

China's inflation data reflected several key pressures on the economy. Weak consumer demand continues to weigh on prices, partly offset by higher energy costs linked to the Middle East crisis and stronger demand for electronic components from the AI investment boom.

China's CPI rose 0.4% in August, ending three consecutive monthly declines and lifting annual inflation by 0.3ppts to 0.8%, largely due to higher food and energy prices. Communication equipment prices were reported to have risen 10.6% YoY, reflecting continued upward pressure on the prices of electronic products from AI-related investment. Annual PPI inflation increased 0.3ppts to 3.8%, driven largely by energy prices, while consumer goods prices in the PPI basket fell 0.5% YoY, underscoring weak demand.

Economic Data Review

- **CH**: CPI (YoY, Aug) – Actual 0.8%, Expected 0.8%, Previous 0.5%
- **CH**: PPI (YoY, Aug) – Actual 3.8%, Expected 3.6%, Previous 3.5%

Economic Data Preview

- **AU**: Melbourne Institute Consumer Inflation Expectations (Sep) – Previous 4.9%.
- **EZ**: ECB Decision (Deposit Facility Rate) – Expected 2.50%, Previous 2.25%
- **US**: PPI Final Demand (MoM, Aug) – Expected 0.4%, Previous 0.0%.