Market Daily Update

05 MARCH 2026

Interest Rates			FX			Commodities		
Australia		**∆ bp**	AUD/USD	0.7083	0.8%	WTI Crude Oil	75.74	$0.48
90-day Bill	4.04	-2	AUD/JPY	111.07	0.3%	Brent Crude Oil	81.40	$0.00
3-year Bond	4.36	0	AUD/EUR	0.6084	0.5%	Mogas95*	96.69	$3.57
10-year Bond	4.79	1	AUD/GBP	0.5295	0.5%	CRB Index	327.68	1.38
			AUD/NZD	1.1921	-0.2%	Gold	5173.43	$53.40
			AUD/CNY	4.8766	0.1%	Silver	84.30	$1.38
US			EUR/USD	1.1642	0.3%	Iron Ore (61% Fe)**	100.00	$2.20
2-year	3.55	4	USD/JPY	156.82	-0.5%	Iron Ore (25-26 Average)	102.94	-$0.01
10-year	4.10	4	USD/CNY	6.8971	-0.3%	Copper	13057.50	$102.50
			RBA Policy			**Equities**		
			O/N Cash Rate Target		3.85	ASX200	8932	-8
Other 10-year			Interbank O/N Cash Rate		3.85	Dow Jones	48739	238
Japan	2.15	3	Probability of a 25bps Hike in Mar		22.1%	S&P500	6870	53
Germany	2.75	0	RBA Bond Holdings (27 Feb)		A$250.0b	Stoxx600	613	8
UK	4.44	-3				CSI300	4603	-53

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

Equity prices bounced in the US and Europe overnight, following strong declines on Tuesday night. Investors are weighing the possibility of a de-escalation of the Middle Eastern conflict over time. Secretary Pete Hegseth assessed that the US and Israel will have ‘complete control’ over the Iranian sky in a ‘few days’. The attacks on US allies in the Middle East region have eased to the extent allowing some commercial flights to resume.

US President Donald Trump said that the US Navy will escort oil tankers crossing the Strait of Hormuz, which helped stabilise oil prices at around a one-year high. US Treasury yields continued to climb, however, as expectations for fed funds rate cuts eased a bit further amid concerns about the impact of the recent rise in oil prices on the inflation outlook.

The ASX 200 dropped by another 1.9% yesterday, with losses across all sectors led by materials, but opened sharply higher this morning. The stabilisation in global market sentiment helped lift the Australian dollar. Commonwealth bond yields are little changed, as the Q4 GDP report showed a slower-than-expected rise in consumption.

Data-wise, the US ISM services PMI rose by 3.8pts to 56.1 in February (above 50 = expansion), suggesting the strongest pace of growth since 2022. The details of the report suggested a faster rise in new orders, with the export orders growth rate turning back positive, a stronger increase in employment, and a slower rise in prices. Comments from respondents to the survey were encouraging but pointed to a negative impact from tariff volatility. A separate report, the Beige Book from the Fed, pointed to generally moderate activity, stable employment and a measured rise in prices. The ADP report suggested a somewhat faster rise in US private sector employment in February, with January’s gain revised downwards.

Across the Pacific, the NBS and RatingDog PMIs again painted a mixed picture of economic activity in China. The NBS PMIs suggested that the economy remained in slight contraction in February, with moderate declines in manufacturing, services and construction. However, the RatingDog PMIs, which are more focused on small and medium-sized companies from the private sector, pointed to the fastest pace of economic activity growth in nearly three years.

At home, Aussie real GDP rose by 0.8% in Q4 2025, in line with market expectations, while the Q3 2025 outcome was revised slightly upwards, to 0.5% from 0.4%. The annual rate of GDP growth rose to 2.6%, which is the highest since early 2023. The details of the report were a bit more nuanced, however, with half of the growth coming from the accumulation of inventories and private consumption growth proving slower than estimated by the RBA in its February projection. The report did not show a significant acceleration in domestic price pressures or cost pressures from the labour market.

Economic Data Review

- **AU:** GDP (QoQ, Q4) – Actual 0.8%, Expected 0.8%, Previous 0.5% (revised).
- **CH:** Composite PMIs (Feb) – Actual 49.5 (NBS) and 55.4 (RatingDog), Previous 49.8 (NBS) and 51.6 (RatingDog).
- **US:** ADP Employment (monthly change, Feb) – Actual 63k, Expected 50k, Previous 11k (revised).
- **US:** ISM Services PMI (Feb) – Actual 56.1, Expected 53.5, Previous 53.8.

Economic Data Preview

- **AU:** Household Spending Indicator (MoM, Jan) – Expected 0.5%, Previous -0.4%.
- **AU:** Goods Trade Balance (Jan) – Expected A$3.6b, Previous A$3.4b.
- **US:** Initial Jobless Claims (w/e 28 Feb) – Expected 215k, Previous 212k.