Market Daily Update

31 JULY 2026

Interest Rates

Australia		**∆ bp**
90-day Bill	4.50	0
3-year Bond	4.49	-2
10-year Bond	4.94	-2
US		
2-year	4.24	-3
10-year	4.66	-2
Other 10-year		
Japan	2.82	2
Germany	3.16	-1
UK	4.98	-5

FX

AUD/USD	0.7032	1.1%
AUD/JPY	112.75	-0.9%
AUD/EUR	0.6105	0.5%
AUD/GBP	0.5225	0.3%
AUD/NZD	1.1972	-0.3%
AUD/CNY	4.7460	0.5%
EUR/USD	1.1518	0.5%
USD/JPY	160.35	-1.9%
USD/CNY	6.7525	-0.2%

Commodities

WTI Crude Oil	84.10	$0.62
Brent Crude Oil	89.69	$0.31
Mogas95*	116.77	-$0.32
CRB Index	384.45	-1.04
Gold	4093.44	$17.21
Silver	58.90	$0.91
Iron Ore (61% Fe)**	95.65	-$1.45
Iron Ore (26-27 Average)	98.34	-$0.20
Copper	13803.00	$222.00

RBA Policy

O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Aug	0.0%
RBA Bond Holdings (30 Jun)	A$229.9b

Equities

ASX200	9016	17
Dow Jones	52208	614
S&P500	7438	121
Stoxx600	650	5
CSI300	4550	-51

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

US equities rebounded overnight, led by semiconductor stocks, which posted their strongest rise since April 2025 after recent heavy selling. The S&P 500 recorded its best session in seven weeks. Microsoft led the gains, rising 15.5% and adding US$450 billion to its market value, reportedly the largest one-day increase on record, supported by a substantial rise in cloud revenue. US Treasury yields fell, helped by lower-than-expected core PCE price inflation.

The rise in US equities followed a strong session in Europe as better-than-expected Q2 GDP growth boosted sentiment, while Asia-Pacific markets were again mixed. The ASX 200 fell 0.8% yesterday, ending three consecutive sessions of gains, with losses led by financials and miners. However, the market has opened higher this morning.

Australian bond yields opened lower this morning after rising for most of yesterday. The Australian dollar is higher against all major currencies except the Japanese yen. The yen was reportedly supported by intervention from Japan's Ministry of Finance after falling to multi-decade lows. The intervention was a major driver behind the weaker US dollar.

Oil prices are only slightly higher, despite ongoing signs of escalation in the Middle East conflict, possibly reflecting reports of increased oil flows through the Strait of Hormuz and plans for a Saudi-led coalition to protect Red Sea shipping.

The Bank of England kept its policy rate unchanged, while the Bank of Japan is expected to leave rates on hold today.

US Q2 GDP growth slowed to an annualised 1.5%, from 2.1% in Q1. Personal consumption and business capital investment were the main contributors to growth, partly offset by inventory changes, lower government spending and net exports, as stronger exports were more than offset by higher imports. US core PCE price inflation rose 0.1% in June, below market expectations for a 0.2% increase, with the annual rate easing to a three-month low of 3.3% from 3.4% in May. However, inflation remains well above the Fed's 2.0% target.

Australian dwelling approvals rose by a seasonally adjusted 7.2% in June, following a revised 1.6% fall in May (originally -1.1%). Annual growth increased to 8.9% from 5.3%. The sharp monthly rise was driven by a 17.8% increase in multi-dwelling approvals, which are the main source of volatility in the series. Private sector house approvals rose for the seventh time in eight months and were up 15.8% year-on-year. The trend estimate for Western Australian dwelling approvals eased but remains close to five-year highs.

Australia's international trade prices report for Q2 showed that export prices rose 1.1% over the quarter, more than offset by a 5.7% increase in import prices, suggesting that the terms of trade declined. The rise in import prices was the largest since Q4 2021, driven by sharp increases in petroleum, fertilisers and plastics due to the Iran war.

Economic Data Review

- **AU:** Dwelling Approvals (MoM, Jun) – Actual 7.2%, Expected -0.5%, Previous -1.6% (revised).
- **US:** GDP (QoQ annualised, Q2, Advance) – Actual 1.5%, Expected 2.0%, Previous 2.1%.

Economic Data Preview

- **AU:** PPI (QoQ, Q2) – Previous 0.4%.
- **CH:** Composite PMI (Jul) – Previous 50.6.
- **JP:** Bank of Japan Decision (Policy Rate) – Expected 1.0%, Previous 1.0%.