MARKET UPDATES

Market Daily Update

01 SEPTEMBER 2026

Interest Rates		
Australia		Δ bp
90-day Bill	4.55	0
3-year Bond	4.71	5
10-year Bond	5.16	6
US		
2-year	4.35	1
10-year	4.77	6
Other 10-year		
Japan	2.97	3
Germany	3.32	4
UK***	5.06	0

FX		
AUD/USD	0.7176	0.3%
AUD/JPY	114.60	0.1%
AUD/EUR	0.6173	0.0%
AUD/GBP	0.5293	0.1%
AUD/NZD	1.2113	0.1%
AUD/CNY	4.8140	-0.1%
EUR/USD	1.1623	0.3%
USD/JPY	159.71	-0.2%
USD/CNY	6.7197	-0.2%

RBA Policy	
O/N Cash Rate Target	4.35
Interbank O/N Cash Rate	4.35
Probability of a 25bps Hike in Sep	50.0%
RBA Bond Holdings (31 Jul)	A$227.4b

Commodities		
WTI Crude Oil	86.62	$2.07
Brent Crude Oil	91.08	$1.65
Mogas95*	114.20	-$19.44
CRB Index	410.57	4.21
Gold	4456.13	$1.32
Silver	66.81	$0.36
Iron Ore (61% Fe)**	98.75	-$0.30
Iron Ore (26-27 Average)	97.32	$0.09
Copper***	14294.00	$0.00

Equities		
ASX200	9058	-25
Dow Jones	53186	-374
S&P500	7686	-26
Stoxx600	651	-4
CSI300	4625	16

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

Global risk sentiment weakened overnight as a renewed escalation in the Middle East conflict and the hawkish shift in US rate expectations weighed on markets. US equities declined, with most sectors closing in the red, although gains among chipmakers and energy stocks helped contain the broader decline. Oil prices rose after the US and Iran traded strikes, adding to concerns that higher energy prices could complicate the inflation outlook and keep pressure on the Fed to tighten policy. US Treasury yields rose, led by longer maturities, while shorter-dated yields consolidated after Friday's sharp rise following the Fed Chair's hawkish Jackson Hole speech.

Equities also fell across much of Europe and the Asia-Pacific region, weighed down by higher bond yields and news of re-escalation in the Middle East conflict. At home, the ASX 200 fell 0.2% yesterday, with miners the biggest drag on the index, while gains across the big four banks helped limit the losses. The ASX 200 opened lower again this morning.

Australian bond yields fell yesterday but have opened higher again this morning. The Australian dollar gained against the weaker US dollar and has been relatively steady against the other major currencies.

Yesterday's Australian data pointed to resilient activity, some easing in credit growth and positive news on inflation. The Melbourne Institute inflation gauge (not an official measure) indicated monthly inflation slowed to 0.5% in August from 1.0% in July. The monthly trimmed mean measure eased to 0.1% from 0.8%. Private sector credit increased 0.6% in July, its slowest pace in five months, with annual growth slipping 0.2ppts to a still solid 8.4%. Business indicators remained firm in Q2, with sales of goods and services up 0.8% over the quarter and 2.8% over the year.

The Cotality national home value index fell 0.9% in August, its fifth consecutive monthly decline, leaving prices 2.7% higher over the year. The fall was led by a 1.1% decline across the capital cities, with prices down across all state capitals and 93% of suburbs recording declines. Sydney recorded the largest fall among the state capitals at 1.4%, while Perth and Adelaide had the smallest mainland capital declines at 0.8%.

In China, the NBS Composite PMI rose 0.2ppts to 49.5, indicating a slightly slower pace of contraction. The improvement was led by a 0.8ppts rise in the manufacturing index to 49.8, while the services PMI was steady at 49.3. The construction index edged down 0.1ppts to 46.9, its lowest level on record outside of the COVID lockdown in February 2020.

Economic Data Review

- **AU:** Melbourne Institute Inflation Gauge (MoM, Aug) – Actual 0.5%, Previous 1.0%.
- **AU:** Private Sector Credit (MoM, Jul) – Actual 0.6%, Expected 0.7%, Previous 0.8%.
- **AU:** Cotality National Home Value Index (MoM, Aug) – Actual -0.9%, Previous -1.2%.
- **CH:** Composite PMI (Aug) – Actual 49.5, Previous 49.3.

Economic Data Preview

- **AU:** Current Account Balance (Q2) – Expected -A$30.0b, Previous -A$27.1b.
- **AU:** Building Approvals (MoM, Jul) – Expected -5.0%, Previous 7.2%.
- **CH:** RatingDog Manufacturing PMI (Aug) – Expected 51.0, Previous 50.9.
- **US:** ISM Manufacturing PMI (Aug) – Expected 55.2, Previous 55.6.