



9 February 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

There was a risk-on tone amid improving US consumer sentiment and some progress in talks between the US and Iran.

US equities finished the week strongly, led by the tech sector, where the sell-off earlier in the week presented investors with dip-buying opportunities. Despite this, the Nasdaq still finished the week firmly in the red, while the Dow outperformed, ending the week higher.

There was a slight sell-off in Treasuries, which saw yields increase across the curve. Despite this, the US Dollar Index lost ground. The Yen was little changed, with markets expected to react to Japanese Prime Minister Sanae Takaichi's landslide election win over the weekend when markets open this week.

The Aussie outperformed, rising 1.2% against the greenback to reclaim the 0.70 handle. Gold and copper were higher, while the price of iron ore was stable at around US\$100 a tonne.

Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	Last	Change
TWI	64.3	-0.3%	30 day BBSY	3.84	0.00
AUD/USD	0.7013	1.2%	90 day BBSY	3.98	-0.01
AUD/JPY	110.23	1.3%	180 day BBSY	4.25	0.00
AUD/GBP	0.5152	0.6%	1 year swap	4.18	0.01
AUD/NZD	1.1657	0.1%	2 year swap	4.26	0.02
AUD/EUR	0.5936	0.9%	3 year swap	4.32	0.03
AUD/CNH	4.8602	1.1%	4 year swap	4.36	0.03
AUD/SGD	0.8920	1.0%	5 year swap	4.41	0.03
AUD/HKD	5.4809	1.3%	6 year swap	4.47	0.03
AUD/CAD	0.9590	1.0%	7 year swap	4.53	0.03
EUR/USD	1.1815	0.3%	8 year swap	4.59	0.03
USD/JPY	157.22	0.1%	9 year swap	4.65	0.03
USD Index	97.63	-0.2%	10 year swap	4.91	0.04
Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	8,709	-2.0%	Australia		
S&P 500	6,932	2.0%	3 year bond	4.30	-0.04
Japan Nikkei	54,254	0.8%	10 year bond	4.83	-0.03
Hang Seng	26,560	-1.2%	United States		
Euro Stoxx 50	5,998	1.2%	3-month T Bill	3.59	0.00
UK FTSE100	10,370	0.6%	2 year bond	3.50	0.05
VIX Index	17.76	-18.4%	10 year bond	4.21	0.03
Commodities	Current	Change	Other (10 year yields)		
CRB Index	309.51	0.0%	Germany	2.84	0.00
Gold	4964.36	3.9%	Japan	2.23	-0.01
Copper	12994	0.7%	UK	4.51	-0.04
Oil (WTI futures)	63.55	0.4%	Sydney Futures Exchange	Current	Change
Coal (coking)	247.00	0.0%	10 yr bond	4.88	0.03
Coal (thermal)	117.40	0.2%	3 yr bond	4.34	0.03
Iron Ore	99.55	0.5%	3 mth bill rate	3.93	0.00
ACCU	36.13	-4.3%	SPI 200	8,749	1.2%

Data as at 7:30am AEDT. Change is from the previous trading day (excluding the SFE, which is the change during the night session). Source: Bloomberg.


Pat Bustamante

Senior Economist, Westpac Group

P: +61 468 571 786

E: pat.bustamante@westpac.com.au

Financial Markets

- Key US equity indices finished the week on a high, recording their biggest one day jump since May 2025. The increase was driven by tech stocks, as dip buying saw these names recover some of their losses from earlier in the week. Overall, the S&P 500 closed 2.0% higher, the Dow Jones Industrial Average rose 2.5%, and the tech heavy Nasdaq finished 2.2% in the green. Despite the strong end to the week, the Nasdaq still declined 1.8% over the week — its largest weekly drop since November 2025. The S&P 500 finished broadly unchanged, while the Dow outperformed to end the week 2.5% higher — its largest weekly gain since November 2025.
- European markets also finished Friday's session higher after trading lower earlier in the week. The Euro Stoxx 50 rose 0.9%, Germany's DAX gained 0.9%, the FTSE 100 was up 0.6%, and France's CAC increased 0.5%. Asian markets were mixed, with the Nikkei up 0.8% while the Hang Seng fell 1.2%. The local market finished 2.0% in the red, its largest one day fall since April 2025. Futures point to a strong start to today's session.
- There was a sell off in Treasuries, which saw yields lift across the curve. Both the 2 year and 10 year yields increased 5bps and 3bps, to 3.50% and 4.21%, respectively. Interest rate futures are pricing a total of 55bps of cuts over the year to end 2026. The likelihood of a cut at the March FOMC meeting has increased to around 20%, up from virtually no chance a week ago. European yields were slightly lower.
- Local yields moved higher on futures, with 3 year and 10 year bond futures up 3bps to 4.34% and 4.88%, respectively. OIS pricing now implies a further 20bp hike by May and a terminal rate this year of around 4.20% — suggesting traders are on the fence about the need for two more rate hikes in 2026.
- The US Dollar Index closed 0.2% lower at 97.63 but ended the week about 0.7% higher. The Australian dollar outperformed, rising 1.2% to reclaim the 0.70 handle. Stabilising — and in some cases rising — commodity prices supported the local currency. The Aussie finished the week 0.7% higher following the 25bp rate hike and hawkish RBA messaging, which included upward revisions to its inflation forecasts.
- Commodities were broadly higher. Gold rose almost 4% back toward the US\$5,000 level, supported by the weaker US dollar. Crude oil was also higher, with West Texas Intermediate trading around US\$63/bbl as traders weighed geopolitical tensions against an outlook for oversupply. The Iranian foreign minister said talks with the US had a "good start," while the Wall Street Journal reported that Tehran continued to refuse to end enrichment of nuclear fuel.

Today's key data and events

Time	Event	Exp	Prev
10:50	JP Current Account Balance Dec	¥1081.2b	¥3674.1b
11:30	AU Household Spending Indicator Dec	0.1%	1.0%
20:30	EZ Sentix Investor Confidence Feb	0pts	-1.8pts
-	CN M2 Money Supply Jan	8.3%	8.5%
3:00	US US NY Fed 1-Yr Expectations Jan	-	3.4%

Times are AEDT. All data forecasts are m/m or q/q and seasonally adjusted unless otherwise specified. Forecasts for Australian data are our forecasts and for other countries they are consensus forecasts.

INTERNATIONAL DATA

Japanese Prime Minister Sanae Takaichi and the LDP reportedly achieved a landslide win in the lower house election, with the LDP itself on track to take around two-thirds of the seats, providing a super majority. The result paves the way for greater spending on defence and public investment as well as a two-year suspension of the sales tax on food.

US University of Michigan consumer sentiment edged up from 56.4 to 57.3 as a result of an improvement in current conditions and despite a marginal deterioration in expectations. Sentiment is currently 13% below the 5-year average.

German industrial production disappointed in December, falling 1.9% after a 0.2% gain in November. Annual growth turned from +0.5% to -0.6% in the month.

Local Data

There was no significant top tier data released on Friday.



Corporate Directory

Westpac Economics / Australia

Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis

Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan

Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke

Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner

Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk

Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante

Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas

Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells

Economist
E: ryan.wells@westpac.com.au

Illiana Jain

Economist
E: illiana.jain@westpac.com.au

Neha Sharma

Economist
E: neha.sharma1@westpac.com.au

Luka Belobrajdic

Economist
E: luka.belobrajdic@westpac.com.au

Westpac Economics / New Zealand

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold

Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon

Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs

Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod

Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark

Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva

1 Thomson Street
Suva, Fiji

Shamal Chand

Senior Economist
E: shamal.chand@westpac.com.au



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