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MORNING REPORT

Today's economic developments and market movements.

Key themes

Despite reported strong earnings growth, NVIDIA's share price declined by more than 5%, dragging US and global tech stocks lower. Investors appear unconvinced about the company's long-term strategy and the lack of plans to broaden its revenue base in the rapidly changing AI environment.

Negotiations between the US and Iran in Geneva made significant progress, easing some concerns about immediate military conflict. However, comments from Iranian officials suggest that substantial differences remain between the two sides.

The S&P 500 dropped 0.5%, as large losses in the tech sector (-1.9%) were partly offset by gains in other sectors, including financials (1.3%). Bond markets benefited from the risk-off tone, driving government bond yields lower.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	65.4	0.0%
AUD/USD	0.7109	-0.2%
AUD/JPY	110.98	-0.4%
AUD/GBP	0.5271	0.3%
AUD/NZD	1.1878	0.1%
AUD/EUR	0.6026	-0.1%
AUD/CNH	4.8642	-0.4%
AUD/SGD	0.8986	-0.2%
AUD/HKD	5.5616	-0.2%
AUD/CAD	0.9725	-0.2%
EUR/USD	1.1798	-0.1%
USD/JPY	156.11	-0.2%
USD Index	97.81	0.1%

Equities	Close	Change
S&P/ASX 200	9,175	0.5%
S&P 500	6,909	-0.5%
Japan Nikkei	58,753	0.3%
Hang Seng	26,381	-1.4%
Euro Stoxx 50	6,162	-0.2%
UK FTSE100	10,847	0.4%
VIX Index	18.69	4.2%

Commodities	Current	Change
CRB Index	311.44	0.5%
Gold	5188.93	0.5%
Copper	13304	-0.1%
Oil (WTI futures)	65.38	-0.1%
Coal (coking)	226.00	-0.2%
Coal (thermal)	119.15	0.4%
Iron Ore	98.00	0.2%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	3.86	0.00
90 day BBSY	4.04	0.00
180 day BBSY	4.36	0.02
1 year swap	4.21	-0.01
2 year swap	4.23	-0.02
3 year swap	4.24	-0.03
4 year swap	4.25	-0.03
5 year swap	4.29	-0.04
6 year swap	4.34	-0.04
7 year swap	4.39	-0.05
8 year swap	4.44	-0.04
9 year swap	4.49	-0.04
10 year swap	4.75	-0.05

Government Bond Yields	Close	Change
Australia		
3 year bond	4.26	-0.02
10 year bond	4.70	-0.02
United States		
3-month T Bill	3.59	0.00
2 year bond	3.44	-0.03
10 year bond	4.02	-0.04
Other (10 year yields)		
Germany	2.69	-0.02
Japan	2.16	0.02
UK	4.27	-0.04

Sydney Futures Exchange	Current	Change
10 yr bond	4.69	-0.03
3 yr bond	4.24	-0.03
3 mth bill rate	4.04	0.00
SPI 200	9,148	0.1%

Data as at 7:00am AEDT. Change is from the previous trading day (excluding the SFE, which is the change during the night session). Source: Bloomberg.



Mantas Vanagas
Senior Economist, Westpac Group
P: +61 422 030 326
E: mantas.vanagas@westpac.com.au

Financial Markets

AI and geopolitics remained front and centre for financial markets, prompting a retreat from risk assets and a shift towards safe havens. Investors closely monitored the latest NVIDIA results, seeking confirmation that the outlook for AI is strong enough to justify elevated valuations. Despite robust earnings growth from NVIDIA, the share price of the world's largest company declined by more than 5%, dragging US and global tech stocks lower. Investors appear unconvinced about the company's long-term strategy and the lack of plans to broaden its revenue base in the rapidly changing AI environment.

On the geopolitical front, negotiations between the US and Iran in Geneva were reported to have made significant progress, easing some concerns about immediate military conflict. However, comments from Iranian officials suggest that substantial differences remain between the two sides. Talks are set to continue in Vienna next week.

- Most major US equity indices traded lower. The S&P500 dropped 0.5%, as large losses in the tech sector (-1.9%) were partly offset by gains in other sectors, including financials (1.3%). Similar themes influenced European stocks: the technology sector sold off while other sectors performed better, leaving the Euro Stoxx 50 only 0.2% lower. The FTSE100 in the UK and the Nikkei 225 in Japan posted modest gains, while the domestic ASX 200 index rose 0.5%, supported by capex data in Australia that exceeded market expectations for Q4.
- Bond markets benefited from the risk-off tone, driving government bond yields lower. The 10Y US Treasury yield fell by 4bp to 4.02%. Gilts saw similar declines, with the equivalent yield dropping to 4.27%, while Bund yields proved more resilient – the 10Y fell by 2bp, despite weaker euro area economic sentiment survey results. Australian government bond yields moved in line with global trends – yields were 2–3bp lower across the curve. Futures point to further downward pressure at the market opening today.
- In the FX market, demand for US safe assets and month-end flows supported the US dollar, but the DXY rose only 0.1% to 97.8. The euro and yen depreciated by 0.1% and 0.2% respectively, while sterling underperformed, losing 0.5%. The AUD was also weaker, falling 0.2% and paring some prior gains.
- With no major breakthroughs announced in the US–Iran talks, crude markets remained in wait-and-see mode, continuing to price in a significant risk of military escalation between the two countries. The April WTI contract moved broadly sideways, at \$65.4. The risk-off tone boosted gold, which

Today's key data and events

Time	Event	Exp	Prev
8:00	NZ ANZ Consumer Confidence Feb	-	107.2pts
10:30	JP Tokyo CPI Feb	1.4%	1.5%
10:50	JP Industrial Production Jan Prel.	5.5%	-0.1%
11:01	GB Gfk Consumer Sentiment Feb	-15pts	-16pts
11:30	AU Private Sector Credit Jan	0.7%	0.8%
0:30	US PPI Jan	0.3%	0.5%
1:45	US Chicago PMI Feb	52.1pts	54pts
2:00	US Construction Spending Dec	0.2%	-

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.

gained 0.5%, while copper and iron ore prices changed minimally (-0.1% and 0.2%).

International Data

US initial jobless claims edged up from 208k to 212k last week, remaining at a historically very low level.

The Kansas City Fed manufacturing activity index rose from 0 to 5 in February. US manufacturers continue to face variable conditions and considerable uncertainty about the outlook for domestic demand, but also the future of import tariffs in the US.

The European Commission euro area economic sentiment survey edged lower in February to 98.3. Following some gains in late 2025 and a bigger increase in January, the index remained well above last year's average, continuing to signal stronger euro area economic momentum this year.

Local Data

Australia's private capex surprised on the upside, growing 0.4%qtr and 7.8%yr in the December quarter 2025. Investment in buildings and structures continued to provide broad based support, while the earlier strength in machinery and equipment attributed to information media and telecommunications unwound and was partly offset by a pickup elsewhere in the non-mining sector ([see here](#)).



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



westpaciq.com.au

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