



7 April 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Risk sentiment remained fragile as President Trump's ceasefire deadline approaches (8pm Washington time).

Iran reportedly rejected a US ceasefire proposal, with President Trump warning the country "could be taken out in one night," adding that any ceasefire must include reopening the Strait of Hormuz. Escalation risks rose further after the WSJ reported the US is preparing potential strikes on Iranian energy assets.

US equities pushed higher but lacked direction, oscillating between gains and losses throughout the session. European and local markets were closed.

Bond and currency markets were little changed, with the Australian dollar edging 0.3% higher to 0.6917.

Oil prices pushed higher, with WTI rising to US\$115.50/bbl.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	64.4	-0.3%
AUD/USD	0.6917	0.3%
AUD/JPY	110.45	0.3%
AUD/GBP	0.5225	0.1%
AUD/NZD	1.2107	0.0%
AUD/EUR	0.5992	0.1%
AUD/CNH	4.7542	0.2%
AUD/SGD	0.8887	0.2%
AUD/HKD	5.4210	0.3%
AUD/CAD	0.9620	0.1%
EUR/USD	1.1542	0.2%
USD/JPY	159.69	0.0%
USD Index	99.99	0.0%

Equities	Close	Change
S&P/ASX 200	8,579	-1.1%
S&P 500	6,612	0.4%
Japan Nikkei	53,414	0.5%
Hang Seng	25,117	-0.7%
Euro Stoxx 50	5,693	-0.7%
UK FTSE100	10,436	0.7%
VIX Index	24.17	1.3%

Commodities	Current	Change
CRB Index	382.46	0.4%
Gold	4649.85	-0.6%
Copper	12360	-0.6%
Oil (WTI futures)	112.76	1.1%
Coal (coking)	236.25	0.0%
Coal (thermal)	137.90	0.0%
Iron Ore	106.65	1.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.11	0.01
90 day BBSY	4.35	-0.01
180 day BBSY	4.84	0.00
1 year swap	4.63	0.00
2 year swap	4.70	0.00
3 year swap	4.73	0.02
4 year swap	4.70	0.09
5 year swap	4.72	0.09
6 year swap	4.76	0.00
7 year swap	4.80	-0.01
8 year swap	4.84	0.00
9 year swap	4.88	-0.01
10 year swap	5.14	0.01

Government Bond Yields	Close	Change
Australia		
3 year bond	4.72	0.00
10 year bond	5.04	0.00
United States		
3-month T Bill	3.62	0.01
2 year bond	3.85	0.01
10 year bond	4.33	-0.01
Other (10 year yields)		
Germany	2.99	0.00
Japan	2.42	0.04
UK	4.83	0.00

Sydney Futures Exchange	Current	Change
10 yr bond	5.07	0.00
3 yr bond	4.72	0.00
3 mth bill rate	4.18	0.00
SPI 200	8,614	0.0%

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.



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Financial Markets

- Risk sentiment remained fragile overnight amid escalating tensions in the Middle East, with Iran reportedly rejecting a US ceasefire proposal and President Trump warning Iran “could be taken out in one night.” The President added that ceasefire agreement must include reopening the Strait of Hormuz. The WSJ reported the US is preparing potential strikes on Iranian energy assets.
- US markets pushed higher but lacked direction, flipping between gains and losses throughout the session. The S&P 500 and the Dow Jones Industrial Average edged 0.4% higher, while the tech heavy Nasdaq closed 0.5% in the green. The VIX rose 1.3% to 24.17, highlighting ongoing uncertainty.
- European equities ended Thursday’s session lower ahead of the Easter holiday period and are due to reopen overnight. Japanese equities outperformed, with the Nikkei up 0.5%. Locally, Australian equities sold off sharply on Thursday, with the S&P/ASX 200 down 1.1% to 8,579. Futures are little changed this morning, with the SPI 200 flat at 8,614, pointing to a cautious start.
- Bond markets were little changed, with US Treasury yields higher at the front end. The 2 year yield rose 1bp to 3.85%, while the 10 year yield remained steady at 4.33%. Interest rate futures now price no change over 2026. European bond markets were closed for the Easter break.
- Australian government bond yields were also little changed on futures, with the 3 year at 4.72% and the 10 year at 5.04%. OIS pricing suggests a terminal cash rate this year of around 4.75%, with the first full rate hike pencilled in for June and another by September.
- The USD index was unchanged at 99.99, while the Australian dollar firmed modestly against most majors. AUD/USD rose 0.3% to 0.6917, with gains also recorded against the yen, euro and sterling. The TWI slipped slightly, down 0.3% to 64.4, reflecting some underperformance relative to Asian currencies.
- Oil prices pushed higher amid the escalating conflict in the Middle East. The WTI increased 1.1% to US\$112.76/bbl, after reaching a session high of US\$115.50/bbl. Industrial metals softened, with copper down 0.6%, while iron ore rose 1.0% to US\$106.65/t. Gold fell 0.6%, as a steady USD and some profit taking offset haven demand for the precious metal.

Today’s key data and events

Time	Event	Exp	Prev
9:30	JP Household Spending Feb	-0.8%	-1.0%
11:00	AU MI Inflation Gauge Mar	-	3.6%
11:00	NZ ANZ Commodity Prices Mar	-	4.2%
11:30	AU ANZ Job Ads Mar	-	3.2%
18:00	EZ HCOB Services PMI Mar Final	50.1pts	50.1pts
18:30	EZ Sentix Investor Confidence Apr	-8pts	-3.1pts
18:30	GB S&P Services PMI Mar Final	51.2pts	51.2pts
22:30	US Durable Goods Orders Feb Prel.	-1.2%	0.0%
1:00	US US NY Fed 1-Yr Expectations Mar	3.5%	3.0%
5:00	US Consumer Credit Feb	US\$10.2b	US\$8b

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

US nonfarm payrolls in March were materially higher than expected, rising by 178k, the steepest increase since the end of 2024. The monthly volatility in recent months seems to correlate with weather disruptions – while strikes also played a role. On a three-month average basis, payrolls rose by 68k in Q1, which is a notable pick-up in pace from the 15k and 22k recorded in the last six and twelve months, suggesting that the US jobs market is stable and might even be tightening slightly.

The **US ISM services PMI index** fell by 2.1 points in February, to 54.0, remaining firmly in expansionary territory and close to the average level over the past six months. The survey indicated a sharp decrease in activity levels, but the new orders gauge surged to 60.6, the highest level since late 2023. The assessment of the labour market deteriorated to the weakest point in the current cycle. Companies were concerned about the impact from the war in the Middle East, indicating slower delivery times and building inflationary pressures. The index capturing prices paid for materials and services jumped by 7.7 points, the steepest rise in thirteen years, to 70.7.

In China, **RatingDog Services PMI** declined by 4.6 points in March to 52.1 – fully reversing the increase in February. With the manufacturing index also having decreased that month, it left the composite PMI down to 51.5, a similar level to that in January. On a three-month basis, the composite PMI rose by 1.4 points in Q1 to 52.8, suggesting increased growth momentum at the start of this year.

Local Data

There was no top-tier economic data released yesterday due to the Easter break. On Thursday, Australian trade ([see here](#)) and job vacancies ([see here](#)) data were released for the period up to and including February, predating the start of the conflict in the Middle East.



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