



8 April 2026

# MORNING REPORT

Today's economic developments and market movements.

## Key themes

Ahead of today's deadline for Iran to accept the ceasefire deal and open the Strait of Hormuz, Trump threatened that "a whole civilisation will die tonight, never to be brought back again".

Pakistan, which is mediating the US-Iran negotiations requested a two-week extension for further talks. Hopes for a diplomatic resolution to the conflict supported the risk-on sentiment in financial markets.

US equities recovered earlier losses, with the S&P500 closing little changed. US Treasuries rallied, with yields heading 2–7bp lower. The AUD was among the top performers, rising 0.8% to 0.6970.

With several different war scenarios in the Middle East remaining likely, oil prices were mixed, but the Dated Brent – a benchmark used in the physical market for more immediate delivery – surged to a new record higher reflecting the lack of supply.

## Data snapshot

FX Last 24 hrs	Current	Change
TWI	64.7	0.5%
AUD/USD	0.6977	0.8%
AUD/JPY	111.36	0.8%
AUD/GBP	0.5247	0.4%
AUD/NZD	1.2165	0.5%
AUD/EUR	0.6015	0.4%
AUD/CNH	4.7826	0.6%
AUD/SGD	0.8948	0.6%
AUD/HKD	5.4666	0.8%
AUD/CAD	0.9690	0.7%
EUR/USD	1.1599	0.5%
USD/JPY	159.60	0.0%
USD Index	99.64	-0.3%

Equities	Close	Change
S&P/ASX 200	8,729	1.7%
S&P 500	6,617	0.1%
Japan Nikkei	53,430	0.0%
Hang Seng	25,117	-0.7%
Euro Stoxx 50	5,633	-1.0%
UK FTSE100	10,349	-0.8%
VIX Index	25.78	6.7%

Commodities	Current	Change
CRB Index	381.38	-0.3%
Gold	4706.51	1.2%
Copper	12313	-0.4%
Oil (WTI futures)	112.95	0.5%
Coal (coking)	234.75	-0.6%
Coal (thermal)	138.50	0.4%
Iron Ore	106.35	0.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.11	-0.01
90 day BBSY	4.37	0.02
180 day BBSY	4.85	0.01
1 year swap	4.64	-0.02
2 year swap	4.65	-0.05
3 year swap	4.63	-0.10
4 year swap	4.68	-0.02
5 year swap	4.70	-0.03
6 year swap	4.73	-0.03
7 year swap	4.78	-0.02
8 year swap	4.82	-0.02
9 year swap	4.85	-0.02
10 year swap	5.04	-0.10

Government Bond Yields	Close	Change
<b>Australia</b>		
3 year bond	4.66	-0.06
10 year bond	4.98	-0.05
<b>United States</b>		
3-month T Bill	3.60	-0.03
2 year bond	3.79	-0.06
10 year bond	4.29	-0.04
<b>Other (10 year yields)</b>		
Germany	3.08	0.09
Japan	2.42	-0.01
UK	4.90	0.07

Sydney Futures Exchange	Current	Change
10 yr bond	4.97	-0.05
3 yr bond	4.64	-0.05
3 mth bill rate	4.18	0.00
SPI 200	8,775	0.1%

Data as at 7:45am AEST. 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

Financial markets have been particularly volatile as investors weighed the likelihood of two extreme outcomes in the US–Iran conflict – a ceasefire agreement or a further major escalation. Ahead of Trump's imposed deadline for Iran to accept a ceasefire and reopen the Strait of Hormuz, he warned that “a whole civilisation will die tonight, never to be brought back again”. Reports indicated these remarks disrupted negotiations between the two nations, which are mediated by Pakistan. Trump confirmed he was engaged in “heated negotiations”, while the Pakistani Prime Minister described the talks as “progressing steadily, strongly and powerfully”. Pakistan requested a two-week extension for discussions, but Trump has yet to respond. Meanwhile, the US continued to strike Iran, hitting Kharg Island, a hub for Iran's oil exports, but not targeting major energy infrastructure there.

- US equities traded deep in negative territory for a while, but hopes for a ceasefire deal saw the S&P500 recover losses and finish the session broadly unchanged. European benchmark indices closed in the red ahead of the US rally – the Euro Stoxx 50 fell 1.0%, and the FTSE100 lost 0.8%. Asian markets were mixed – the Nikkei 225 was steady, while the Hang Seng dropped 0.7%. The domestic ASX 200 outperformed, gaining 1.7%. Tech stocks led the advance, with other major sectors also trading bringing positive returns.
- US Treasuries rallied, with yields heading 2–7bp lower. The largest gains were at the front end of the curve, while the 10Y yield fell 4bp to 4.29%. Earlier, Gilt and Bund yields rose sharply, catching up with Friday's move in Treasuries. The UK 10Y was 7bp higher, while the German equivalent climbed 9bp. Australian yields declined 5–6bp across the curve, and futures indicate a further drop at today's open.
- In FX markets, the late-day shift towards risk saw the DXY retreat by 0.3%, while other major currencies strengthened. The EUR and GBP appreciated 0.4–0.5%. The AUD was among the top performers, rising 0.8% to 0.6970.
- With several different war scenarios in the Middle East remaining likely, oil prices were mixed. Brent futures for June eased to \$103.0, while the active WTI contract for May rose 0.5% to \$113. Dated Brent – a benchmark used in the physical market for more immediate delivery – surged to \$144.42, the highest level since records began in 1987, reflecting the lack of supply. Among other major commodities, gold gained 1.2%, while iron ore remained little changed.

## International Data

The NY Fed Survey of Consumer Expectations indicated a notable increase in near-term US consumer inflation

## Today's key data and events

Time	Event	Exp	Prev
9:50	JP Current Account Balance Feb	¥3479.8b	¥941.6b
12:00	NZ RBNZ Policy Decision 8/04/2026	2.2%	2.2%
19:00	EZ PPI Feb	-0.6%	0.7%
19:00	EZ Retail Sales Feb	-0.2%	-0.1%
04:00	FOMC Meeting Minutes from 18 March	-	-

Times are AEST. 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.

expectations. The one-year ahead measure rose by 0.4ppt to 3.4%yr, last seen at the end of December. Longer-term inflation expectations – which will be closely followed by policymakers at the Fed – were also higher. The three- and five-year indicators edged up 0.1ppt to 3.1%yr, having been stable at 3% for some time.

**Durable goods orders** decreased by 1.4%*mt* in February – a third consecutive decline after a 5.4%*mt* increase in November. The drop was accounted for by volatile aircraft orders – excluding transportation, orders were up 0.8%*mt*. Core orders – capital goods excluding aircraft and defence – increased by 0.6%*mt*, reversing a 0.4%*mt* decline in January. The two months together suggest a 0.7% increase in Q1, which is less than a third of the increase in Q4 – consistent with slowing demand before the conflict in the Middle East escalated.

**US consumer credit** flow rose to \$9.5bn in February – very close to the average levels in 2025 of almost \$9bn – suggesting broadly stable spending growth and appetite for risk at this point.

The latest comments from Fed officials suggested somewhat diverging assessments of the current economic situations. **New York Fed President John Williams** indicated that in his view the outlook for underlying inflationary pressures has not changed much. Meanwhile, **Chicago Fed President Austan Goolsbee** said he is cautious and nervous about the US economy, reiterating that higher oil prices could drive stagflationary shock, with inflation becoming persistent.

Having previously shown that the initial reaction of euro area institutional and individual investors to the war in the Middle East was negative but quite modest, the **Sentix survey** brought a much bigger decline this time – showing the headline index falling to -19.2, a very similar level to that seen after the Liberation Day US tariff announcement in April 2025. Both the current situation and expectations were much weaker, as the survey pointed out a surge in concerns about rising inflation, up to levels similar to the post-pandemic period.

## Local Data

In Australia, **household spending** rose 0.3%*mt* in February, matching January's outcome and in line with its average monthly pace over the past two years. Annual growth edged up to 4.6%*yr* ([see here](#)).



# Corporate Directory

## Westpac Economics / Australia

### Sydney

Level 19, 275 Kent Street  
Sydney NSW 2000  
Australia

E: [economics@westpac.com.au](mailto:economics@westpac.com.au)

### Luci Ellis

Chief Economist Westpac Group  
E: [luci.ellis@westpac.com.au](mailto:luci.ellis@westpac.com.au)

### Matthew Hassan

Head of Australian Macro-Forecasting  
E: [mhassan@westpac.com.au](mailto:mhassan@westpac.com.au)

### Elliot Clarke

Head of International Economics  
E: [eclarke@westpac.com.au](mailto:eclarke@westpac.com.au)

### Sian Fenner

Head of Business and Industry Economics  
E: [sian.fenner@westpac.com.au](mailto:sian.fenner@westpac.com.au)

### Justin Smirk

Senior Economist  
E: [jsmirk@westpac.com.au](mailto:jsmirk@westpac.com.au)

### Pat Bustamante

Senior Economist  
E: [pat.bustamante@westpac.com.au](mailto:pat.bustamante@westpac.com.au)

### Mantas Vanagas

Senior Economist  
E: [mantas.vanagas@westpac.com.au](mailto:mantas.vanagas@westpac.com.au)

### Ryan Wells

Economist  
E: [ryan.wells@westpac.com.au](mailto:ryan.wells@westpac.com.au)

### Illiana Jain

Economist  
E: [illiana.jain@westpac.com.au](mailto:illiana.jain@westpac.com.au)

### Neha Sharma

Economist  
E: [neha.sharma1@westpac.com.au](mailto:neha.sharma1@westpac.com.au)

### Luka Belobrajdic

Economist  
E: [luka.belobrajdic@westpac.com.au](mailto: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](mailto:economics@westpac.co.nz)

### Kelly Eckhold

Chief Economist NZ  
E: [kelly.eckhold@westpac.co.nz](mailto:kelly.eckhold@westpac.co.nz)

### Michael Gordon

Senior Economist  
E: [michael.gordon@westpac.co.nz](mailto:michael.gordon@westpac.co.nz)

### Darren Gibbs

Senior Economist  
E: [darren.gibbs@westpac.co.nz](mailto:darren.gibbs@westpac.co.nz)

### Satish Ranchhod

Senior Economist  
E: [satish.ranchhod@westpac.co.nz](mailto:satish.ranchhod@westpac.co.nz)

### Paul Clark

Industry Economist  
E: [paul.clarke@westpac.co.nz](mailto:paul.clarke@westpac.co.nz)

## Westpac Economics / Fiji

### Suva

1 Thomson Street  
Suva, Fiji

### Shamal Chand

Senior Economist  
E: [shamal.chand@westpac.com.au](mailto:shamal.chand@westpac.com.au)



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