



9 April 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Markets looked through geopolitical risks after reports the US and Iran agreed to a two-week ceasefire ahead of President Trump's escalation deadline, though Iran later alleged breaches. The US signalled diplomatic intent with direct talks planned in Islamabad, while the Strait of Hormuz remained largely closed.

Global equities surged with the ASX200 logging its best session of 2026, up 2.6%.

Bond markets were choppy with US Treasury yields little changed on net, while domestic yields fell as inflation expectations eased.

The USD softened modestly, the DXY down -0.8%, with the AUD and NZD outperforming.

Oil prices fell sharply as markets priced an increased likelihood of eventual normalisation, though sporadic headlines kept a floor under prices, with WTI down -16.4%.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	65.6	1.4%
AUD/USD	0.7049	1.0%
AUD/JPY	111.77	0.4%
AUD/GBP	0.5261	0.2%
AUD/NZD	1.2101	-0.6%
AUD/EUR	0.6043	0.4%
AUD/CNH	4.8168	0.6%
AUD/SGD	0.8984	0.3%
AUD/HKD	5.5213	0.9%
AUD/CAD	0.9757	0.7%
EUR/USD	1.1664	0.6%
USD/JPY	158.57	-0.7%
USD Index	99.02	-0.8%

Equities	Close	Change
S&P/ASX 200	8,952	2.6%
S&P 500	6,783	2.5%
Japan Nikkei	56,308	5.4%
Hang Seng	25,893	3.1%
Euro Stoxx 50	5,913	5.0%
UK FTSE100	10,609	2.5%
VIX Index	21.04	-18.4%

Commodities	Current	Change
CRB Index	366.27	-4.0%
Gold	4719.15	0.3%
Copper	12709	3.2%
Oil (WTI futures)	94.41	-16.4%
Coal (coking)	232.50	-1.0%
Coal (thermal)	132.45	-6.1%
Iron Ore	104.70	-0.9%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.12	0.01
90 day BBSY	4.37	0.00
180 day BBSY	4.83	-0.02
1 year swap	4.59	-0.02
2 year swap	4.64	-0.02
3 year swap	4.62	-0.01
4 year swap	4.60	-0.08
5 year swap	4.62	-0.07
6 year swap	4.67	-0.06
7 year swap	4.71	-0.07
8 year swap	4.75	-0.07
9 year swap	4.79	-0.06
10 year swap	5.05	0.01

Government Bond Yields	Close	Change
Australia		
3 year bond	4.55	-0.11
10 year bond	4.86	-0.13
United States		
3-month T Bill	3.60	-0.01
2 year bond	3.79	0.00
10 year bond	4.29	0.00
Other (10 year yields)		
Germany	2.94	-0.14
Japan	2.37	-0.05
UK	4.71	-0.19

Sydney Futures Exchange	Current	Change
10 yr bond	4.97	0.08
3 yr bond	4.63	0.06
3 mth bill rate	4.18	0.00
SPI 200	8,967	-0.2%

Data as at 7:15am AEST. 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

Markets looked through ongoing geopolitical risks after reports that the US and Iran agreed to a two week ceasefire just hours before President Trump's escalation deadline. While Iran later claimed the ceasefire had already been breached due to continued Israeli strikes in Lebanon, the US announced plans for direct talks with Iran in Islamabad over the weekend, led by Vice President Vance. The Strait of Hormuz remained largely closed, with President Trump reiterating that reopening the Strait is a condition for maintaining the ceasefire.

Despite the continued closure of Hormuz and sporadic attacks across the Gulf and Lebanon, market sentiment was notably resilient. Risk assets rallied, bonds were firm, and oil prices fell sharply.

- Equities rallied strongly across the globe. In the US, the Dow Jones Industrial Average posted its largest daily gain of 2026 at 2.9%, alongside solid advances in the NASDAQ and S&P 500. The VIX index fell sharply to 21 (-18.4%), retracing towards pre-conflict levels.
- Europe was no exception to the rally, with the Euro Stoxx 50 and FTSE 100 both logging their strongest sessions of the year, 5.0%, and 2.5% respectively. Asian markets outperformed, closing before ceasefire violation concerns gained traction. The Nikkei surged 5.4% and the Hang Seng rose 3.1%. The ASX200 climbed 2.6%, its best performance of 2026, despite weakness in domestic energy stocks.
- Bond markets were choppy as ceasefire optimism supported prices while reports of renewed conflict capped gains. On net, US Treasury yields were little changed across the curve, with 2 and 10 year yields flat on the day.
- Domestic yields softened across the curve as domestic inflation expectations eased. The 3 year yield declined 11bps and the 10 year fell 13bps. Swap markets further pared expectations for tightening, with only two additional hikes priced by year end.
- FX markets saw the USD sell off, the DXY down -0.8%, though the dollar remains well above pre-conflict levels. The AUD rose 1.0% to 0.7049, while NZD outperformed, gaining +1.6% to 0.5822, supported by ceasefire developments and a more hawkish showing from the RBNZ.
- Commodity markets reacted sharply. Oil prices slumped on hopes that the more than 800 vessels stranded in the Persian Gulf may soon transit Hormuz, though ongoing hostilities kept a floor under prices. Brent fell -11.5%, below \$100/bbl for the first time since early March to US\$96.7/bbl, while WTI saw an even sharper pull-back by 16.4% to

Today's key data and events

Time	Event	Exp	Prev
22:30	US Personal Income Feb	0.3%	0.4%
22:30	US Personal Spending Feb	0.6%	0.4%
22:30	US PCE Deflator Feb	0.4%	0.3%
22:30	US Core PCE Deflator Feb	0.4%	0.4%
22:30	US Initial Jobless Claims 4/04/2026	210k	202k
22:30	US GDP Q4 T	0.7%	0.7%
-	CN M2 Money Supply Mar	8.9%	9.0%

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.

US\$94.4/bbl. Gold edged 0.3% higher to US\$4719/oz. Iron ore slipped 0.9% as freight and fuel cost concerns eased, while copper rallied 3.2% amid renewed risk appetite.

International Data

The minutes from the 17-18 March FOMC meeting provided additional detail on the discussions underpinning the decision to leave the fed funds rate unchanged. Participants judged that inflation remained above 2%, with several members noting that "further progress in reducing inflation had been absent in recent months." Core inflation pressures were seen as ongoing, particularly in goods and non housing services. In the case of goods, these pressures were judged to be at least partly reflecting the effects of tariffs.

Energy prices were identified as an important near term upside risk to inflation. While labour market conditions were generally assessed as stable. Looking ahead, however, a vast majority of participants judged that "risks to the employment side of the mandate were skewed to the downside". In a low hiring environment, the labour market was seen as vulnerable to adverse shocks, including from AI, or if elevated energy prices or geopolitical uncertainty were to weigh on business sentiment and hiring.

Euro area retail sales declined 0.2% in February, extending the 0.1% mth fall recorded in January. Food sales, down 0.5% mth, were the main source of weakness, while non food and fuel sales were flat and up 0.7% mth respectively. The average level of sales in Q1 was unchanged from Q4, suggesting a slowing in consumer spending growth from 0.6% qtr at the end of 2025.

Local Data

In New Zealand, the **RBNZ** held the OCR at 2.25% as expected, but signalled a more hawkish bias, emphasising risks from second-round inflation effects. Westpac NZ has brought forward its expected timing of the first rate hike to September (from December) and now sees the OCR ending 2026 at 3% ([see here](#)).



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