



14 April 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Asian markets started the week on a much shakier footing in response to the news of failed US-Iran negotiations over the weekend and President Trump's subsequent threat of a blockade on the Strait of Hormuz.

The US Navy's blockade of Iranian ports is now in effect but is yet to be contested, suggesting the ceasefire has still survived. Reports suggest ships scheduled to arrive/ depart other ports in the region are still transiting the Strait.

Ultimately, markets also took comfort from President Trump's hints of progress through backchannel talks with Iran since Saturday and unconfirmed reports of a new round of talks in coming days, resulting in a pull-back in price action overnight.

Oil prices opened sharply higher but have since pulled back under US\$100/bbl. The DXY followed a similar pattern, now trading below Friday's close. Equities and bonds fell across Europe and Asia but rallied in the US.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	65.4	-0.3%
AUD/USD	0.7098	0.4%
AUD/JPY	113.10	0.5%
AUD/GBP	0.5256	0.1%
AUD/NZD	1.2094	-0.1%
AUD/EUR	0.6035	0.1%
AUD/CNH	4.8395	0.3%
AUD/SGD	0.9033	0.4%
AUD/HKD	5.5582	0.4%
AUD/CAD	0.9788	0.0%
EUR/USD	1.1760	0.3%
USD/JPY	159.37	0.1%
USD Index	98.43	-0.2%

Equities	Close	Change
S&P/ASX 200	8,926	-0.4%
S&P 500	6,886	1.0%
Japan Nikkei	56,503	-0.7%
Hang Seng	25,661	-0.9%
Euro Stoxx 50	5,905	-0.4%
UK FTSE100	10,583	-0.2%
VIX Index	19.12	-0.6%

Commodities	Current	Change
CRB Index	374.60	1.4%
Gold	4740.31	-0.2%
Copper	13054	1.6%
Oil (WTI futures)	99.08	2.6%
Coal (coking)	223.00	-0.4%
Coal (thermal)	132.05	1.7%
Iron Ore	104.45	1.1%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.13	0.02
90 day BBSY	4.39	0.02
180 day BBSY	4.83	0.02
1 year swap	4.63	0.01
2 year swap	4.66	-0.01
3 year swap	4.65	-0.02
4 year swap	4.65	-0.02
5 year swap	4.67	-0.01
6 year swap	4.72	-0.01
7 year swap	4.76	0.00
8 year swap	4.80	0.00
9 year swap	4.84	-0.01
10 year swap	5.08	-0.02

Government Bond Yields	Close	Change
Australia		
3 year bond	4.69	0.04
10 year bond	5.02	0.05
United States		
3-month T Bill	3.60	0.00
2 year bond	3.77	-0.02
10 year bond	4.29	-0.02

Other (10 year yields)		
Germany	3.09	0.03
Japan	2.47	0.03
UK	4.87	0.03

Sydney Futures Exchange	Current	Change
10 yr bond	5.01	-0.04
3 yr bond	4.67	-0.04
3 mth bill rate	4.32	0.00
SPI 200	9,069	1.3%

Data as at 7:00am 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

Asian markets started the week on a much shakier footing in response to the news of failed US-Iran negotiations over the weekend and President Trump's subsequent threat of a blockade on the Strait of Hormuz. As a result, oil opened sharply higher, above US\$100/bbl, while equities and bonds sold-off and the USD rallied.

The US Navy's blockade of Iranian ports is now in effect but is yet to be contested, suggesting the ceasefire has still survived. Reports suggest ships scheduled to arrive/depart other ports in the region are still transiting the Strait. Markets also took comfort from President Trump's hints of progress through backchannel talks with Iran since Saturday and unconfirmed reports of a new round of talks between the US and Iran in coming days, resulting in an effective unwind of the aforementioned price action overnight.

- Global share markets were mixed overnight, reflecting the change in general mood about the US-Iran conflict. Asian trading was focused on the weekend's failed negotiations and forthcoming blockade, seeing equities pull-back significantly across Tokyo (-0.7%), Hong Kong (-0.9%) and Seoul (-0.9%). The ASX 200 finished -0.4% lower, with most sectors in the red except energy, which rallied against the backdrop of 'higher-for-longer' oil prices.
- Move forward to US trading, and stocks rallied amid optimism on fresh news of potential progress in talks, seeing the S&P 500 (+1.0%), Dow Jones (+0.6%) and NASDAQ (+1.2%) all advance sharply. As a result, futures markets are pointing to a solid open this morning. European equities were stuck somewhere in the middle of this risk-on/risk-off sentiment, with the Euro Stoxx 50 (-0.4%) and FTSE 100 (-0.2%) posting modest losses.
- Treasuries rallied modestly across the curve, with President Trump hints of further talks seeing oil prices drop, containing perceived inflation risks. The 2Y and 10Y fell 2bps each to 3.77% and 4.29% respectively. Markets are pricing in a 36% chance of an FOMC rate cut by year-end, up from 26% yesterday, but ultimately there are still no moves fully priced in out to mid-2027.
- Yields elsewhere continued to climb, reflecting the more cautious mood that dominated during Asian and European trading. 10Y Bund and Gilts each rose 3bps, while 3Y and 10Y ACGB yields rose 4bps and 5bps respectively during local trading. Futures trading overnight effectively erased these moves, however. Swaps markets are pricing in a 67% chance of an RBA rate hike in May, with around two-and-a-half total hikes priced in by year-end.

Today's key data and events

Time	Event	Exp	Prev
8:45	NZ Net Migration Feb	-	4460k
10:30	AU Westpac-MI Consumer Sentiment Apr	-	91.6pts
11:30	AU NAB Business Conditions Mar	-	7pts
12:00	CN Trade Balance Mar	US\$107.6b	US\$91b
14:30	JP Industrial Production Feb Final	-	-2.1%
20:00	US NFIB Small Business Optimism Mar	97.9pts	98.8pts
22:30	US PPI Mar	1.1%	0.7%

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.

- The DXY opened sharply higher at around 99.15 on elevated uncertainty around the weekend's negotiations and upcoming US naval blockade. Over the course of the day, the DXY fell sharply, -0.2% below Friday's close to trade around 98.43 at the time of writing, capturing the risk-on move amid tentative optimism over possible US-Iran talks.
- Moves broadly positive across the G10 currencies. The Euro and Sterling both rallied 0.3% against the greenback, the Loonie and Aussie dollar rose a solid 0.4%, while the Kiwi managed to lift 0.5%. The Japanese Yen continues buck the wider trend, instead depreciating -0.1% against the backdrop of elevated global yields.
- Crude prices opened sharply higher, following the news of last weekend's failed US-Iran negotiations and the threats of an imminent blockade. Oil prices gradually eased back over the course of the session, on tentative optimism around US-Iran diplomacy, although both Brent and WTI have still finished 2.9% and 2.6% higher relative to Friday's close, at US\$98.00/bbl and US\$99.08/bbl respectively.
- Metals benefitted from the risk-on shift, with LME copper and aluminium lifted 1.6% and 3.1% respectively overnight. Gold recovered from some deep losses earlier in trading to finish only modestly lower, down -0.2% to around US\$4,740/oz. Iron ore meanwhile rallied 1.1%.

International Data

In the US, **existing home sales** fell 3.6% in March, wiping out the revised 2.7% gain of February. The level of sales is only 3% above the cycle low of December 2023, and 40% below the peak reached in early-2021.



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