



17 April 2026

# MORNING REPORT

Today's economic developments and market movements.

## Key themes

Market sentiment cooled overnight, with investors reassessing the near-term prospects for a US–Iran peace deal amid indications from regional and European leaders that negotiations could take several months to conclude.

US equities added modestly to recent highs, while Asian equities outperformed, led by a strong rally in Japan.

Bond yields moved higher as markets worked through a range of political and economic headlines.

The USD regained modest ground, with the DXY edging higher, while most major currencies softened. The AUD briefly touched a four-year high before paring gains.

Oil prices rose as indications that peace negotiations could be protracted reinforced supply concerns. Iron ore gained supported by a lift in dry bulk shipping rates.

## Data snapshot

FX Last 24 hrs	Current	Change
TWI	66.5	0.6%
AUD/USD	0.7161	-0.1%
AUD/JPY	114.01	0.0%
AUD/GBP	0.5295	0.1%
AUD/NZD	1.2158	0.2%
AUD/EUR	0.6078	0.0%
AUD/CNH	4.8864	-0.1%
AUD/SGD	0.9117	0.0%
AUD/HKD	5.6041	-0.2%
AUD/CAD	0.9813	-0.4%
EUR/USD	1.1781	-0.2%
USD/JPY	159.16	0.1%
USD Index	98.20	0.1%

Equities	Close	Change
S&P/ASX 200	8,955	-0.3%
S&P 500	7,041	0.3%
Japan Nikkei	59,518	2.4%
Hang Seng	26,394	1.7%
Euro Stoxx 50	5,933	-0.1%
UK FTSE100	10,590	0.3%
VIX Index	17.94	-1.3%

Commodities	Current	Change
CRB Index	374.61	0.7%
Gold	4790.88	0.0%
Copper	13270	0.2%
Oil (WTI futures)	93.50	2.4%
Coal (coking)	226.00	0.0%
Coal (thermal)	125.75	0.6%
Iron Ore	105.55	2.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.14	-0.01
90 day BBSY	4.37	0.00
180 day BBSY	4.76	-0.02
1 year swap	4.61	0.02
2 year swap	4.65	0.02
3 year swap	4.64	0.02
4 year swap	4.64	0.02
5 year swap	4.66	0.03
6 year swap	4.71	0.03
7 year swap	4.76	0.03
8 year swap	4.80	0.03
9 year swap	4.85	0.04
10 year swap	5.09	0.03

Government Bond Yields	Close	Change
<b>Australia</b>		
3 year bond	4.63	0.02
10 year bond	4.96	0.02
<b>United States</b>		
3-month T Bill	3.61	-0.01
2 year bond	3.77	0.01
10 year bond	4.31	0.03
<b>Other (10 year yields)</b>		
Germany	3.03	-0.01
Japan	2.41	-0.01
UK	4.85	0.03

Sydney Futures Exchange	Current	Change
10 yr bond	5.04	0.05
3 yr bond	4.68	0.04
3 mth bill rate	4.32	0.00
SPI 200	8,966	-0.2%

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

Markets were more subdued overnight, with a partial cooling in recent optimism limiting overall activity. Some Gulf and European leaders suggested that a comprehensive peace deal between the US and Iran may take up to six months to finalise, which tempered expectations for a near term resolution and provided support to oil prices. At the same time, President Trump struck a more optimistic tone, saying a deal with Iran is “looking very good”, amid reports of ongoing discussions to extend the current truce ahead of its expiration next week. Trump also suggested any agreement could include provisions for free oil. Adding to tentative signs of de escalation, Israel and Lebanon agreed to a 10 day ceasefire, easing tensions more broadly across the region.

- Equities traded in a narrow range for much of the session. US indices held near record highs, with the S&P 500 and NASDAQ 100 posting modest additional gains of 0.3% and 0.4% respectively, while the Dow Jones also edged higher, rising 0.2%.
- European equities were mixed, with the Euro Stoxx 50 marginally lower ( 0.1%), while an upside surprise in UK GDP supported a 0.3% gain in the FTSE 100. Asian equities were stronger, buoyed by overnight US sentiment with hopes of a Middle East truce and solid earnings raising risk appetites. Japan’s Nikkei 225 closed at a fresh record, rising 2.4% to 59,518 and fully retracing losses tied to the Iran conflict. Korea’s KOSPI gained 2.2%, while the Hang Seng rose 1.7%. Locally, the ASX200 shrugged off overnight highs in the US, recording a decline of -0.3%.
- Bond markets retreated further as investors digested a mix of geopolitical, economic and corporate headlines. Former Treasury Secretary Henry Paulson warned that US authorities should consider contingency plans in the event of a sharp decline in demand for US government debt, which he said would have “vicious” consequences. Moves were again more pronounced at the long end of the curve, with the US 2 year yield rising 1bp and the 10 year up 3bps. Futures pricing for the terminal Fed funds rate was unchanged, continuing to imply around a 36% probability of an additional rate cut by year end.
- Australian government bonds followed the overnight move higher in US yields, with both 3 year and 10 year yields rising 2bps. Swap markets were little moved by local labour force data and continue to price around two rate hikes by the end of the year.
- FX markets saw the USD modestly firmer after clawing back earlier losses, with the DXY up 0.1%. The Australian dollar retraced earlier gains, having reached a four year high of 0.7197 during the local session before easing to

## Today’s key data and events

Time	Event	Exp	Prev
8:45	NZ Food Price Index Mar	-	-0.1%
8:45	NZ Card Spending Mar	-	1.1%

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.

0.7161, down -0.1% on the day. Most other major currencies weakened against the USD, with the Euro down -0.2 and, Sterling lower by -0.3% while the Japanese Yen gained 0.1%.

- Commodity markets saw oil prices rise on indications that a peace deal could take months to finalise. Brent gained 3.3% on the day, while WTI rose 2.4%. Dated Brent continues to command a sizeable premium, trading around US\$18/ bbl above spot prices. Gold pared earlier gains to finish flat, while copper edged 0.2% higher and aluminium rose 0.6%. Iron ore climbed a solid 2.0%, supported by a lift in dry bulk shipping rates to a four month high amid firm cargo volumes and tightening vessel availability in the Pacific.

## International Data

**US initial jobless claims** fell from 218k to 207k last week, holding around record lows.

The **US Philadelphia Fed business outlook** jumped from 18.1 to 26.7 in April following a similar jump in the Empire survey yesterday. Regional surveys in the US are highly volatile and dependent on sentiment.

**US industrial production** disappointed in March, declining 0.5% in the month. Though an upward revision to February offset, from 0.2% to 0.7%.

**NY Fed President Williams** gave a sanguine take on the outlook overnight, highlighting the immediate impact of the Middle East conflict on the US and global economy but also an expectation that risks will subside. Policy was described as “well positioned”.

**Euro Area inflation** was edged higher in the final estimate for March, from 1.2% to 1.3%, leaving annual headline inflation at 2.6%yr. Annual core inflation was unrevised at 2.3%yr.

**UK monthly GDP** surprised materially to the upside in March, rising 0.5%. February was also revised up from 0.0% to 0.1%.

## Local Data

In Australia, the **March Labour Force Survey** reported a +17.9k gain in employment, and with the participation rate easing slightly from 66.9% to 66.8%, the unemployment rate remained steady at 4.3% (see [here](#)).



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