



21 April 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Markets remained in a holding pattern as uncertainty around the Middle East conflict increased, with the Strait of Hormuz still closed and the existing ceasefire set to expire later this week. While potential talks in Islamabad remain likely, rhetoric from Washington and Tehran continued to point to fragile and strained negotiations.

Equity markets softened, with US indices easing modestly from record highs and European markets underperforming, while Asian equities were more resilient and the ASX 200 ended little changed.

Bond markets were broadly steady, with US yields little changed overall.

FX markets were choppy, with early safe haven demand lifting the USD before gains were unwound, leaving the DXY slightly lower.

Oil prices rebounded sharply as the risk of renewed escalation returned to focus, with Brent and WTI posting solid gains.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	66.2	-0.3%
AUD/USD	0.7178	0.1%
AUD/JPY	113.97	0.2%
AUD/GBP	0.5303	-0.1%
AUD/NZD	1.2185	-0.1%
AUD/EUR	0.6090	-0.1%
AUD/CNH	4.8923	0.1%
AUD/SGD	0.9114	0.1%
AUD/HKD	5.6201	0.1%
AUD/CAD	0.9792	-0.3%
EUR/USD	1.1788	0.2%
USD/JPY	158.81	0.1%
USD Index	98.05	0.0%

Equities	Close	Change
S&P/ASX 200	8,953	0.1%
S&P 500	7,109	-0.2%
Japan Nikkei	58,825	0.6%
Hang Seng	26,361	0.8%
Euro Stoxx 50	5,983	-1.2%
UK FTSE100	10,609	-0.5%
VIX Index	18.87	8.0%

Commodities	Current	Change
CRB Index	369.25	1.8%
Gold	4820.66	-0.2%
Copper	13275	-0.5%
Oil (WTI futures)	88.26	5.3%
Coal (coking)	227.50	0.2%
Coal (thermal)	125.75	-1.3%
Iron Ore	106.60	1.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.17	0.01
90 day BBSY	4.38	0.00
180 day BBSY	4.78	-0.01
1 year swap	4.57	0.01
2 year swap	4.59	0.01
3 year swap	4.57	0.01
4 year swap	4.57	0.01
5 year swap	4.59	0.01
6 year swap	4.63	0.01
7 year swap	4.67	0.01
8 year swap	4.72	0.01
9 year swap	4.76	0.00
10 year swap	5.01	0.00

Government Bond Yields	Close	Change
Australia		
3 year bond	4.59	-0.07
10 year bond	4.94	-0.06
United States		
3-month T Bill	3.59	-0.01
2 year bond	3.72	0.01
10 year bond	4.25	0.00
Other (10 year yields)		
Germany	2.98	0.02
Japan	2.39	-0.03
UK	4.83	0.07

Sydney Futures Exchange	Current	Change
10 yr bond	4.96	0.00
3 yr bond	4.60	-0.01
3 mth bill rate	4.32	0.00
SPI 200	9,018	0.5%

Data as at 7:00am 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

Markets were mixed overnight, remaining in a holding pattern as uncertainty around the Middle East conflict increased.

The Strait of Hormuz remains closed, with both the US and Iran appearing increasingly frustrated by the lack of progress in peace talks. With the current ceasefire due to expire on Wednesday evening Washington time, President Trump indicated he is unlikely to extend the two week truce, having earlier threatened to target Iranian energy and bridge infrastructure should negotiations fail.

Reports suggest the US and Iran are now increasingly likely to meet in Islamabad for further talks, after Iranian officials had previously stated there were no "clear prospects" for an agreement, citing the US naval blockade as a violation of the ceasefire.

Elsewhere, Kevin Warsh will testify before the Senate Banking Committee. According to Bloomberg, Warsh will vow to protect the central banks independence while promising to keep the Fed focused on its core mandate.

- Equities broke recent momentum, with US markets posting modest losses amid rising geopolitical uncertainty and firmer oil prices. The S&P 500 and NASDAQ 100 eased from record highs, falling -0.2% and -0.3% respectively, while the Dow Jones traded in a narrow range, closing little changed (-0.01%). The VIX rose 8.0% to 18.9, signalling an increase in volatility.
- European equities were more sensitive to developments in the Middle East, with the Euro Stoxx 50 down -1.2%, while the DAX and FTSE 100 fell -1.2% and -0.6% respectively. Asian equities were more resilient, with the Hang Seng up 0.8% and the Nikkei 225 gaining 0.6%. Locally, the ASX 200 oscillated between gains and losses before closing 0.1% higher.
- Bond markets were relatively stable, with US yields little changed overall. The 2 year yield rose 1bp, while the 10 year finished unchanged. Futures pricing for the terminal Fed funds rate now implies a 55% probability of an additional rate cut by year end.
- Australian government bonds outperformed, with the yield curve shifting lower; the 3 year yield fell 7bps and the 10 year declined 6bps. Swaps pricing remained steady, with the terminal cash rate by year end still implied at around 4.60%.
- FX markets were choppy, with safe haven demand supporting the USD early before those gains were unwound. The DXY edged -0.1% lower on the day. The Australian dollar posted a mild gain of 0.1% against the USD, while the Euro performed slightly better, rising 0.2%.
- Commodity markets reversed the previous session's

Today's key data and events

Time	Event	Exp	Prev
8:45	NZ CPI Q1	0.8%	0.6%
8:45	NZ CPI Q1	2.9%	3.1%
16:00	GB ILO Unemployment Rate Feb	5.2%	5.2%
19:00	EZ Zew Survey Of Expectations Apr	-	-8.5pts
22:30	US Retail Sales Mar	1.4%	0.6%
0:00	US Business Inventories Feb	0.3%	-0.1%
0:00	US Pending Home Sales Mar	0.5%	1.8%

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.

optimism. Oil prices rebounded sharply, with Brent up 4.6% to US\$94.5/bbl and WTI rising 5.3% to US\$88.3/bbl. Dated Brent briefly fell below US\$100/bbl for the first time since early March before recovering to end the session around US\$106/bbl. Gold slipped 0.2%, while copper and aluminium fell 0.5% and 0.2% respectively. Iron ore rose 1.0%, supported by resilient Chinese demand ahead of the May Day holiday.

International Data

There was no top-tier economic data released yesterday.

Local Data

There was no top-tier economic data released yesterday.



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