



22 April 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

There was a modest risk off tone overnight amid renewed uncertainty around US–Iran peace talks. President Trump extended the ceasefire with Iran until negotiations conclude, while Iran’s foreign minister labelled the US blockade of the Strait of Hormuz “an act of war.”

Key equity markets across the US and Europe declined, while futures point to a softer start in the local market.

Bond markets sold off, with yields ticking higher across the US and Europe. Australian bond yields also moved higher on futures, tracking the global move.

The US dollar index edged higher, while the AUD weakened against the USD to around 0.715, and fell against most major currencies.

Oil prices rebounded, gold moved lower amid higher yields and the stronger US dollar, and iron ore remained broadly steady around US\$105 a tonne.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	66.3	0.2%
AUD/USD	0.7148	-0.4%
AUD/JPY	113.98	0.0%
AUD/GBP	0.5295	-0.2%
AUD/NZD	1.2141	-0.4%
AUD/EUR	0.6089	0.0%
AUD/CNH	4.8815	-0.2%
AUD/SGD	0.9106	0.0%
AUD/HKD	5.5983	-0.4%
AUD/CAD	0.9767	-0.2%
EUR/USD	1.1738	-0.4%
USD/JPY	159.44	0.4%
USD Index	98.39	0.3%

Equities	Close	Change
S&P/ASX 200	8,949	0.0%
S&P 500	7,064	-0.6%
Japan Nikkei	59,349	0.9%
Hang Seng	26,487	0.5%
Euro Stoxx 50	5,930	-0.9%
UK FTSE100	10,498	-1.0%
VIX Index	19.5	3.3%

Commodities	Current	Change
CRB Index	371.79	0.7%
Gold	4720.04	-2.1%
Copper	13230	-0.3%
Oil (WTI futures)	92.13	2.8%
Coal (coking)	228.00	0.2%
Coal (thermal)	125.05	2.8%
Iron Ore	106.60	0.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.18	0.01
90 day BBSY	4.39	0.01
180 day BBSY	4.78	0.00
1 year swap	4.59	0.02
2 year swap	4.60	0.01
3 year swap	4.60	0.03
4 year swap	4.59	0.02
5 year swap	4.61	0.02
6 year swap	4.65	0.02
7 year swap	4.69	0.02
8 year swap	4.74	0.02
9 year swap	4.78	0.02
10 year swap	5.03	0.02

Government Bond Yields	Close	Change
Australia		
3 year bond	4.56	-0.03
10 year bond	4.91	-0.03
United States		
3-month T Bill	3.59	-0.01
2 year bond	3.78	0.06
10 year bond	4.29	0.04

Other (10 year yields)		
Germany	3.00	0.02
Japan	2.40	0.00
UK	4.88	0.05

Sydney Futures Exchange	Current	Change
10 yr bond	4.98	0.05
3 yr bond	4.63	0.05
3 mth bill rate	4.32	0.00
SPI 200	8,915	-0.7%

Data as at 7:30am 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

- There was a modest risk off tone overnight amid renewed uncertainty around US–Iran peace talks. As expected, President Trump extended the ceasefire with Iran until negotiations conclude, signalling that the US would refrain from fresh attacks while maintaining its blockade of the Strait of Hormuz. Iran’s foreign minister labelled these restrictions “an act of war.” Key sticking points in the negotiations continue to centre on Iran’s nuclear program and Israel’s military operations in Lebanon.
- Against this backdrop, US equity markets softened for a second consecutive session, retreating from the all time highs reached last week. The S&P 500, Dow Jones Industrial Average and Nasdaq all declined 0.6% during the session. Volatility edged higher, with the VIX lifting around 3% to 19.5.
- European equities also pulled back on the day amid some soft earnings reports, deteriorating investment sentiment and renewed uncertainty around peace talks. Euro area outlook sentiment deteriorated sharply in April, falling almost 12pts. The Euro Stoxx 50 fell 0.9%, the FTSE 100 declined 1.0%, and Germany’s DAX closed 0.6% lower. Asian markets were mixed, with Japan’s Nikkei rising 0.9% while the Hang Seng added 0.5%. Locally, the S&P/ASX 200 finished flat at 8,949, while SPI futures point to a weaker start today, down 0.7%.
- There was a sell off in bond markets as oil prices moved higher. In the US, yields rose across the curve, with the 2 year yield up 6bps to 3.78% and the 10 year yield up 4bps to 4.29%, partially reversing the sharp rally seen last week following the collapse in oil prices. Interest rate futures continue to price no change through 2026. European sovereign yields also rose, with 10 year yields up 2bps in Germany and 5bps in the UK, while Japanese yields were broadly unchanged.
- Australian government bond futures followed the global move higher in yields. Three year futures yields rose 5bps to 4.63%, while 10 year yields increased 5bps to 4.98%. OIS pricing continues to imply a terminal cash rate of around 4.60% over 2026, with around 17bps of tightening priced at the May RBA meeting and the first full hike fully priced by August.
- In FX markets, the US dollar firmed modestly, with the DXY up 0.3% to 98.39. The AUD weakened against the USD to 0.7148 (0.4%) and fell against most majors, leaving the TWI marginally higher by 0.2%.

Today’s key data and events

Time	Event	Exp	Prev
10:30	AU Westpac-MI Leading Index Mar	-	-0.1%
16:00	GB CPI Mar	0.6%	0.4%
0:00	EZ Consumer Confidence Apr Prel.	-17.2pts	-16.3pts

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.

- Commodity markets were mixed. Oil prices rebounded modestly, with WTI futures up 2.8% to US\$92.13/bbl following last week’s sharp sell off, while gold declined 2.1% amid higher yields. Copper eased 0.3%, while bulk commodities were broadly flat, with iron ore unchanged at US\$106 a tonne. Coal prices were firmer, while ACCUs fell sharply by 4.3%.

International Data

US retail sales rose 1.7% in March after a 0.7% gain in February, both modestly above expectations. Ex autos and gas, the gain was just 0.6% in March and February, though these outcomes also beat consensus. The control group was also up 0.7% in March.

US business inventories rose 0.4% in February after a flat result in January.

US pending home sales rose 1.5% in March after a revised 2.5% gain in February, leaving sales 1.8% higher over the year.

The **Euro Area ZEW survey** of expectations dropped from -8.5 to -20.4 under the weight of the Middle East conflict. This contrasts to a 5-year average of +13.4 for the index.

The **UK’s ILO unemployment rate** fell from 5.2% in January to 4.9% in February, having previously risen from around 4.0% in mid-2023.

Local Data

Consumer prices in NZ rose 0.9% in the March quarter. That saw the annual inflation rate remaining unchanged at 3.1%. The March quarter inflation result was above the RBNZ’s updated forecast from their April policy update for 3%yr. Many measures of core inflation have continued to run at levels close to or above the top of the target band. For the RBNZ, that highlights the firm starting point for inflation even before the recent oil price shock ([see here](#)).



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