



23 April 2026

# MORNING REPORT

Today's economic developments and market movements.

## Key themes

Markets were mixed following President Trump's announcement of an indefinite ceasefire extension with Iran, with stalled talks and continued military posturing highlighting the fragility of the diplomatic backdrop.

US equities rose to fresh record highs on strong earnings and optimism around the ceasefire extension, although other markets were more varied.

Bond yields moved higher amid ongoing inflation concerns linked to energy supply risks.

The USD firmed modestly, supported by risk sentiment and comments on increased demand for US FX swap lines, while the AUD outperformed most peers.

Oil prices surged as supply risks remained elevated despite the ceasefire extension, with metals firmer and iron ore edging higher with gains capped by a resolution to the month's long dispute between BHP and CMRG.

## Data snapshot

FX Last 24 hrs	Current	Change
TWI	66.4	0.2%
AUD/USD	0.7160	0.1%
AUD/JPY	114.21	0.2%
AUD/GBP	0.5302	0.2%
AUD/NZD	1.2126	-0.1%
AUD/EUR	0.6118	0.4%
AUD/CNH	4.8921	0.1%
AUD/SGD	0.9133	0.2%
AUD/HKD	5.6090	0.1%
AUD/CAD	0.9788	0.2%
EUR/USD	1.1705	-0.3%
USD/JPY	159.48	0.1%
USD Index	98.61	0.2%

Equities	Close	Change
S&P/ASX 200	8,844	-1.2%
S&P 500	7,138	1.0%
Japan Nikkei	59,586	0.4%
Hang Seng	26,163	-1.2%
Euro Stoxx 50	5,906	-0.4%
UK FTSE100	10,476	-0.2%
VIX Index	18.92	-3.0%

Commodities	Current	Change
CRB Index	378.19	1.7%
Gold	4739.90	0.4%
Copper	13433	1.5%
Oil (WTI futures)	92.75	3.4%
Coal (coking)	228.00	0.0%
Coal (thermal)	127.75	3.2%
Iron Ore	106.90	0.4%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.19	0.01
90 day BBSY	4.40	0.00
180 day BBSY	4.77	0.00
1 year swap	4.61	0.02
2 year swap	4.63	0.03
3 year swap	4.62	0.02
4 year swap	4.61	0.02
5 year swap	4.63	0.02
6 year swap	4.67	0.02
7 year swap	4.71	0.01
8 year swap	4.75	0.01
9 year swap	4.79	0.01
10 year swap	5.04	0.01

Government Bond Yields	Close	Change
<b>Australia</b>		
3 year bond	4.62	0.05
10 year bond	4.96	0.05
<b>United States</b>		
3-month T Bill	3.59	-0.01
2 year bond	3.80	0.02
10 year bond	4.30	0.01
<b>Other (10 year yields)</b>		
Germany	3.01	0.00
Japan	2.40	0.01
UK	4.91	0.02

Sydney Futures Exchange	Current	Change
10 yr bond	5.00	0.02
3 yr bond	4.66	0.03
3 mth bill rate	4.32	0.00
SPI 200	8,848	-0.3%

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 following President Trump's announcement of an indefinite extension to the ceasefire with Iran, despite planned talks between the two countries breaking down. Vice President Vance had been scheduled to travel to Islamabad this week but withdrew as the US awaits submission of a new proposal, with Iran's semi official Tasnim news agency stating there is no prospect of Iran participating in negotiations. Iran later reported it had received "some sign" the US may be willing to end its blockade, with Iran's UN envoy indicating negotiations would resume once the US blockade is lifted. These developments came as a third US aircraft carrier is expected to arrive in the Middle East within the next 3 to 5 days, underscoring ongoing tensions.

- Equities diverged across regions. In the US, strong corporate earnings and optimism around the ceasefire extension revived risk appetite, with the S&P 500 rising 1.0% to a fresh record high of 7,138 and the NASDAQ 100 gaining 1.6%. The Dow Jones posted a more moderate gain of 0.7%, while the VIX fell -3.0% to 18.9.
- European equities were less convinced, with the Euro Stoxx 50 down -0.4% and the FTSE 100 lower by -0.2%. Asian markets were mixed, with Korea's KOSPI up 0.5% and Japan's Nikkei 225 gaining 0.4%, while the Hang Seng fell -1.2%. Locally, the ASX 200 underperformed, declining -1.2%.
- Bond markets sold off modestly, with US yields moving higher across the curve. The 2 year Treasury yield rose 2bps, while the 10 year increased 1bp. Futures pricing for the terminal Fed funds rate edged lower, now implying a 29% probability of an additional rate cut by year end.
- Australian government bonds also retreated amid renewed inflation concerns linked to energy supply risks, with the Strait of Hormuz remaining closed. The yield curve shifted higher, with both 3 year and 10 year yields rising 5bps. Swap markets now fully price two additional rate hikes by year end, implying a terminal cash rate of around 4.65%.
- FX markets saw modest USD strength, with the DXY up 0.2%, while Treasury Secretary Scott Bessent noted that several Persian Gulf and Asian allies have requested FX swap lines with the US. The Australian dollar edged higher against the USD, rising 0.1% to 0.7160, and also appreciated against the Euro (+0.4%), Sterling (+0.2%) and the Yen (+0.2%). Other major currencies underperformed the USD, with the Euro down -0.3% and sterling marginally lower.
- Commodity markets were volatile but finished firmer. Oil initially eased on signs the US may be willing to lift its blockade, before rebounding strongly, with Brent rising

## Today's key data and events

Time	Event	Exp	Prev
10:30	JP Jibun Bank Manuf. PMI Apr Prel.	-	51.6pts
10:30	JP Jibun Bank Services PMI Apr Prel.	-	53.4pts
16:00	GB Public Sector Borrowing Mar	£10.4b	£14.3b
18:00	EZ HCOB Manufacturing PMI Apr Prel.	50.8pts	51.6pts
18:00	EZ HCOB Services PMI Apr Prel.	49.8pts	50.2pts
18:30	GB S&P Manufacturing PMI Apr Prel.	50.3pts	51pts
18:30	GB S&P Services PMI Apr Prel.	50pts	50.5pts
22:30	US Chicago Fed Activity Index Mar	-0.1pts	-0.1pts
22:30	US Initial Jobless Claims 18/04/2026	210k	207k
23:45	US S&P Manufacturing PMI Apr Prel.	52.5pts	52.3pts
23:45	US S&P Services PMI Apr Prel.	50.6pts	49.8pts
1:00	US Kansas City Fed Apr	9.5pts	11pts

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.

3.4% to US\$102/bbl and WTI also up 3.4% to US\$92.8/bbl. Dated Brent ended the session around US\$108/bbl. Gold responded positively to the extension of the ceasefire, gaining 0.4%, with copper following suit, up 1.5%. Iron ore edged 0.4% higher, with gains capped after BHP reached an agreement with China Mineral Resources Group following a month's long standoff.

## International Data

The **Euro Area consumer confidence index** deteriorated from -16.4 in March to -20.6 in April, according to the preliminary reading. Still, that suggest households in Europe remain more confident than most across the developed world, with the index only 6pts below its 5-year average.

**UK consumer prices** rose 0.7% in March to be 3.3% higher over the year, broadly in line with expectations. Annual core inflation edged lower from 3.2%yr to 3.1%yr, but services inflation strengthened from 4.3%yr to 4.5%yr.

**ECB President Lagarde** highlighted the immense uncertainty the Euro Area and world are facing. Currently the ECB believe conditions in the Euro Area are between their baseline and adverse projections. The duration of the conflict and evidence of price passthrough are the staff's focus. Lagarde's conclusion was open ended, stating the ECB will "act as the situation demands". ECB member Simkus also noted: "I am of the opinion that we really shouldn't increase interest rates at the next monetary-policy meeting".

## Local Data

The **Westpac-MI Leading Index** fell to -0.13% in March from +0.05% in February, marking its first below-trend reading since August last year, with higher interest rates and the global energy shock weighing on momentum ([see here](#)).



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