24 April 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Markets remained jittery overnight amid broadly risk-negative headlines coming out of the Middle East, including reports of changes to the Iranian negotiation team, anti-aircraft systems being activated in Iran, while US President Trump ordered the US Navy to shoot any boat laying mines in the Strait.

Crude oil prices continued to rally against this backdrop, with Brent breaching the US$106/bbl mark once again. Stocks were broadly sold-off, and yields rose as markets grew more confident in the prospect of a prolonged Fed pause and RBA rate hikes.

The USD was broadly bid, and while this saw the AUD fall –0.4%, the NZD fell –0.9%, meaning the AUD/NZD is close to retesting the April's highs around 1.22.

Preliminary PMI readings for April across the globe generally pointed to varying degrees of resilience in current economic activity amid intense uncertainty and growing pessimism over the outlook.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	66.5	0.2%
AUD/USD	0.7131	-0.4%
AUD/JPY	113.85	-0.3%
AUD/GBP	0.5294	-0.2%
AUD/NZD	1.2174	0.4%
AUD/EUR	0.6103	-0.3%
AUD/CNH	4.8745	-0.4%
AUD/SGD	0.9113	-0.2%
AUD/HKD	5.5879	-0.5%
AUD/CAD	0.9770	-0.3%
EUR/USD	1.1685	-0.2%
USD/JPY	159.68	0.1%
USD Index	98.80	0.2%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.20	0.02
90 day BBSY	4.40	0.00
180 day BBSY	4.79	0.01
1 year swap	4.64	0.04
2 year swap	4.67	0.04
3 year swap	4.67	0.05
4 year swap	4.66	0.05
5 year swap	4.68	0.05
6 year swap	4.71	0.05
7 year swap	4.75	0.04
8 year swap	4.79	0.04
9 year swap	4.83	0.04
10 year swap	5.08	0.04

Equities	Close	Change
S&P/ASX 200	8,793	-0.6%
S&P 500	7,108	-0.4%
Japan Nikkei	59,140	-0.7%
Hang Seng	25,915	-0.9%
Euro Stoxx 50	5,895	-0.2%
UK FTSE100	10,457	-0.2%
VIX Index	19.31	2.1%

Government Bond Yields	Close	Change
Australia		
3 year bond	4.68	0.07
10 year bond	5.00	0.04
United States		
3-month T Bill	3.59	0.00
2 year bond	3.83	0.04
10 year bond	4.32	0.02
Other (10 year yields)		
Germany	3.01	0.00
Japan	2.43	0.02
UK	4.94	0.03

Commodities	Current	Change
CRB Index	381.84	1.0%
Gold	4694.14	-1.0%
Copper	13356	-0.6%
Oil (WTI futures)	95.85	3.1%
Coal (coking)	230.00	0.9%
Coal (thermal)	132.15	2.5%
Iron Ore	106.80	-0.6%
ACCU	36.13	-4.3%

Sydney Futures Exchange	Current	Change
10 yr bond	5.02	-0.01
3 yr bond	4.70	0.00
3 mth bill rate	4.32	0.00
SPI 200	8,828	0.0%

Data as at 7:30am 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 continue to closely monitor headlines coming out of the Middle East, most of which were negative for risk sentiment overnight, including: changes to the Iranian negotiation team, additional mines being laid in the Strait of Hormuz, and anti-aircraft systems being activated in Iran. There is still yet to be full confirmation for many of these reports, with some being quickly rebutted. Nonetheless, tensions remain elevated as US President Trump ordered the US Navy to shoot any boat laying mines in the Strait, and with reports that the US Navy is still intercepting supertankers carrying Iranian oil.

- Equities remained jittery overnight against the backdrop of reports highlighting lingering tension in the Middle East. In the US, tech stocks led the sell-off, driving the NASDAQ (–0.9%) and S&P 500 (–0.4%) lower, but the decline had breadth, with the Dow Jones (–0.4%) also edging lower. European markets missed some of the more risk-negative headlines overnight, resulting in smaller declines across the Euro Stoxx 50 (–0.2%) and FTSE 100 (–0.2%).
- Asian share markets buckled under pressure of higher oil prices, driving declines across Tokyo (–0.7%), Hong Kong (–0.9%) and Shanghai (–0.3%). The ASX 200 shed –0.6% yesterday, with nearly all sectors in the red bar energy. Futures markets are so far pointing to a more neutral open this morning, but the risk-off tone of headlines overnight suggests some selling pressure could persist.
- Treasuries continued to sell-off modestly, as has been the case all week, reflecting nerves over US-Iran negotiations and risks around higher oil prices and inflation. The 2Y and 10Y rose 4bps and 2bps to 3.83% and 4.32% respectively, both back to around early-April levels. Markets remain unconvinced of a Fed rate cut this year, but pricing at the longer-end is also buckling, with the chance of a rate cut by mid-2027 dropping from roughly around a 50% to 35% chance.
- ACGB yields also rose during local trading yesterday, the 3Y up 7bps to 4.68% while the 10Y lifted 4bps to crack the 5.00% mark again, although both remain largely range-bound. Futures yields were little-changed overnight. Swaps pricing for the RBA reflect greater confidence in the prospect of two more RBA rate hikes this year, with markets still seeing a May hike as a roughly 60/40 proposition.
- The USD was mostly bid overnight, with a natural degree of intraday volatility associated with uncertain headlines. The DXY finished around 0.2% higher at 98.80, the highest since April 13. All currencies were sold-off across the DXY basket, with the Euro, Yen and Loonie all shedding –0.2% against the greenback, while the Sterling fell –0.3%.

Today's key data and events

Time	Event	Exp	Prev
9:01	GB Gfk Consumer Sentiment Apr	-25pts	-21pts
9:30	JP CPI Mar	1.4%	1.3%
16:00	GB Retail Sales Mar	0.0%	-0.4%

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 Aussie dollar also fell –0.4%, continuing to steadily taper off from last week to be around USD0.7130 at the time of writing. However, it is telling that the Kiwi shed –0.9% overnight, highlighting the AUD's relative support from a more hawkish RBA backdrop and higher commodity prices. The AUD/NZD is close to retesting the April's highs around the 1.22 area.
- Crude oil prices continued to lift overnight as tensions in the Strait of Hormuz remain palpable, with Iran reportedly activating air defence systems while US President Trump ordered the US Navy to shoot any boat laying mines in the Strait. Brent and WTI futures rallied +4.5% and +3.1% to US$106/49/bbl and US$95.85/bbl respectively.
- Metals were mixed but little-changed on the whole, with LME copper falling –0.6% while LME aluminium lifted just 0.2%. Gold prices meanwhile eased against the backdrop of higher real yields and USD, shedding –1.0% to around US$4,694/oz. Iron ore prices edged slightly lower, down –0.6%.

International Data

In Japan, April's **S&P Global PMIs** were robust, though growth drivers shifted hands: the manufacturing index surged +3.3pts to 54.9 while the services index pared back –2.2pts to 51.2. Manufacturing's strength is attributed to uncertainty around the US-Iran war, prompting firms to raise output with haste. But with input costs and delivery times already rising, confidence about the outlook has collapsed back to pandemic-era lows – a clear warning sign for near-term growth prospects.

In the Eurozone, April's **S&P Global PMIs** painted a similar story: the manufacturing index surprised to the upside, rising +0.6pts to 52.2, while the services index came in far weaker than expected, falling –2.8pts to 47.4.

In the UK, April's **S&P Global PMIs** proved more resilient, again with an upside surprise on the manufacturing index (+2.6pts to 53.6), but in contrast to Japan/Eurozone, the services index firmed as well (+1.5pts to 52.0).

In the US, April's **S&P Global PMIs** also pointed to resilience in the economy amid considerable uncertainty, with the manufacturing index up +1.7pts to 54.0 while the services index edged up +1.5pts to 51.3. The steady reading for April's **Kansas City Fed Manufacturing Index** also supported this narrative. Meanwhile, **weekly initial jobless** claims ticked up only marginally to 214k, still a very low level versus history which indicates that job losses are not a concern at the moment, even if job creation is slowing.

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