



28 April 2026

# MORNING REPORT

Today's economic developments and market movements.

## Key themes

Markets have been in limbo since President Trump formally cancelled the latest round of in-person negotiations over the weekend. Iran has reportedly suggested a deal be struck over the Strait of Hormuz first and negotiations over the nuclear program occur at a later date.

Price action has been mixed against this fluid backdrop around US-Iran negotiation prospects: US stocks are near record highs, the USD sold-off slightly, while real yields and oil prices remain elevated.

This week will see policy decisions from the Federal Reserve, ECB, Bank of England and Bank of Japan. While markets are not expecting a move in policy rates this week, commentary pertaining to the Middle East conflict and policymakers' reaction function will be closely scrutinised.

US stocks are also in store for a week of megacap earnings, which will test the resilience of market sentiment and recent valuations.

## Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	Last	Change
TWI	66.3	-0.3%	30 day BBSY	4.21	0.00
AUD/USD	0.7186	0.5%	90 day BBSY	4.41	0.01
AUD/JPY	114.57	0.5%	180 day BBSY	4.80	0.01
AUD/GBP	0.5308	0.5%	1 year swap	4.66	0.03
AUD/NZD	1.2162	0.0%	2 year swap	4.70	0.04
AUD/EUR	0.6131	0.5%	3 year swap	4.68	0.07
AUD/CNH	4.9054	0.4%	4 year swap	4.68	0.07
AUD/SGD	0.9156	0.4%	5 year swap	4.70	0.06
AUD/HKD	5.6318	0.5%	6 year swap	4.74	0.06
AUD/CAD	0.9792	0.2%	7 year swap	4.78	0.07
EUR/USD	1.1722	0.0%	8 year swap	4.82	0.07
USD/JPY	159.41	0.0%	9 year swap	4.86	0.06
USD Index	98.48	-0.1%	10 year swap	5.11	0.07

Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	8,766	-0.2%	<b>Australia</b>		
S&P 500	7,174	0.1%	3 year bond	4.68	0.00
Japan Nikkei	60,537	1.4%	10 year bond	4.98	0.00
Hang Seng	25,926	-0.2%	<b>United States</b>		
Euro Stoxx 50	5,860	-0.4%	3-month T Bill	3.59	-0.01
UK FTSE100	10,321	-0.6%	2 year bond	3.80	0.02
VIX Index	18.02	-3.7%	10 year bond	4.34	0.04

Commodities	Current	Change	Other (10 year yields)		
CRB Index	381.20	0.6%	Germany	3.03	0.04
Gold	4682.08	-0.6%	Japan	2.48	0.04
Copper	13213	-0.7%	UK	4.97	0.06

	Current	Change	Sydney Futures Exchange	Current	Change
Oil (WTI futures)	96.37	2.1%	10 yr bond	5.04	0.02
Coal (coking)	230.50	0.2%	3 yr bond	4.70	0.01
Coal (thermal)	132.25	1.6%	3 mth bill rate	4.52	0.20
Iron Ore	106.80	0.3%	SPI 200	8,720	-0.7%
ACCU	36.13	-4.3%			

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 have been in limbo since President Trump formally cancelled the latest round of in-person negotiations over the weekend. Iran has reportedly suggested a deal be struck over the Strait of Hormuz first and negotiations over the nuclear program occur at a later date. President Trump is reportedly discussing the detail of the current proposal and the US' response with staff.

This week will see policy decisions from the Federal Reserve, ECB, Bank of England and Bank of Japan. While markets are not expecting a move in policy rates this week, commentary pertaining to the Middle East conflict and policymakers' reaction function will be closely scrutinised. US stocks are also in store for a week of megacap earnings, which will test the resilience of market sentiment and recent valuations.

- Global share markets started the week in mixed fashion. In the US, momentum in the S&P 500 (+0.1%) has seen the index hit another record high; the rally was narrow, driven by tech ahead of megacap earnings later this week, as seen by the gain in the NASDAQ (+0.2%) while the Dow Jones declined (-0.1%). Markets were broadly weaker across the Atlantic, with declines across the Euro Stoxx 50 (-0.4%) and FTSE 100 (-0.6%).
- Asian share markets exhibited a somewhat similar pattern: those with stronger tech sectors rallied, such as the Nikkei (+1.4%) and KOSPI (+2.2%), while the Hang Seng fell (-0.2%) and the CSI 300 held steady. The ASX 200 broadly sold-off, down -0.2%, but futures markets are pointing to a positive open this morning.
- Treasuries have resumed its sell-off from last week, reflecting some nerves over US-Iran negotiations and the risks that elevated oil prices poses to inflation. The 2Y and 10Y rose 2bps and 4bps to 3.80% and 4.34% respectively. Markets are not expecting a move from the Federal Reserve this week, but any more colour on how policymakers' reaction function is evolving in response to the Middle East conflict will be closely scrutinised.
- Yields also rose across the pond, with the 10Y Bund up 4bps to 3.03% while the 10Y Gilt lifted 6bps to 4.97%. Markets are not expecting a hike from either the ECB or Bank of England this week, but with two rate hikes already priced in by year-end for both central banks, markets are clearly bracing for some more hawkish rhetoric which emphasises the precedence of upside inflation risks relative to growth risks.
- Local bond markets were closed yesterday, but thinner trading in futures pointed to a modest lift in yields, with the 3Y up 1bp while the 10Y rose 2bps. An RBA rate hike next week is viewed as more likely than not, with swaps markets pricing it

## Today's key data and events

Time	Event	Exp	Prev
9:30	JP Job-to-Applicant Mar	120.0%	120.0%
23:00	US FHFA House Prices Feb	0.1%	0.1%
23:00	US S&P/Cs Home Price Index Feb	0.1%	0.2%
-	JP BoJ Policy Decision	0.75%	0.75%
0:00	US Richmond Fed Apr	1.2pts	0pts
0:00	US Consumer Confidence Apr	89pts	91.8pts

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.

in at 70%. Another hike beyond that is pencilled in later in the year, but this week's inflation data will play a key role in fine-tuning these expectations ahead of next week's decision.

- The USD continued to unwind some of last week's rally against the uncertain backdrop of US-Iran negotiations and ahead of a big week of central bank decisions. The DXY probed a low of around 98.21 – back around mid-April ranges – but it ultimately finished around 98.48 at the time of writing, down about -0.1% from Friday's close.
- Moves were modest across the main crosses. The Euro is steady around the USD1.172 mark, and the Yen remains largely range-bound, currently trading around JPY159.4. The Sterling also finished steady around USD1.354.
- The Aussie dollar stood-out from the pack, rallying +0.5% against the greenback to push up against the top end of April's range, currently around USD0.7180-90. This comes ahead of an all-important reading on inflation this week, which will set the tone ahead of next week's RBA policy decision. An upside surprise on trimmed mean inflation could spark a rally in the AUD, signalling a rapid pass-through of higher fuel costs.
- With US-Iran negotiations effectively stalling and concerns over physical supply constraints growing, crude oil prices have remained locked in a firm uptrend since 21 April. Brent and WTI futures rallied a further +2.8% and +2.1% to US\$108.30/bbl and US\$96.37/bbl respectively on Monday.
- Gold prices also fell at the start of the week, down -0.6% to around US\$4,682/oz against a backdrop of higher real yields. Metals were weaker though, with LME copper down -0.7% and LME aluminium down -0.4%, once again reflecting a cautious mood regarding US-Iran negotiations. Iron ore meanwhile rose 0.3%.

## International Data

In the US, April's **Dallas Fed Manufacturing Index** slipped from -0.2pts to -2.3pts, an outcome in line with the average of the past two decades. Albeit volatile, the underlying details showed that both production and shipments lifted notably, employment held steady, and a rise in costs came was passed through via higher prices. Forward-looking indicators generally improved, and on the Middle East conflict, the majority of respondents stated they are yet to feel an impact.



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