



29 April 2026

# MORNING REPORT

Today's economic developments and market movements.

## Key themes

Markets remained cautious overnight as peace talks continued to stall, with Iran seeking the lifting of the US naval blockade of the Strait of Hormuz and mediators expecting a revised Iranian proposal in coming days. This while the UAE announced its exit from OPEC from 1 May.

Equities fell across most regions, led by declines in US technology stocks amid renewed concerns over AI investment returns.

The US bond market saw a flattening of the yield curve ahead of the FOMC decision, while Australian yields moved higher before today's CPI release.

The USD firmed modestly, while the AUD eased slightly and the Yen weakened following the BOJ's cautious policy stance.

Oil prices extended gains amid stalled peace talks, while iron ore edged lower on news Chinese steelmakers can collect and trade BHP-supplied inventory held at ports.

## Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	Last	Change
TWI	66.6	0.5%	30 day BBSY	4.23	0.02
AUD/USD	0.7180	-0.1%	90 day BBSY	4.42	0.01
AUD/JPY	114.57	0.1%	180 day BBSY	4.81	0.01
AUD/GBP	0.5311	0.1%	1 year swap	4.73	0.07
AUD/NZD	1.2208	0.3%	2 year swap	4.78	0.08
AUD/EUR	0.6130	0.0%	3 year swap	4.77	0.09
AUD/CNH	4.9111	0.1%	4 year swap	4.76	0.07
AUD/SGD	0.9168	0.2%	5 year swap	4.77	0.08
AUD/HKD	5.6265	-0.1%	6 year swap	4.80	0.06
AUD/CAD	0.9822	0.3%	7 year swap	4.83	0.05
EUR/USD	1.1714	-0.1%	8 year swap	4.87	0.05
USD/JPY	159.58	0.1%	9 year swap	4.91	0.05
USD Index	98.63	0.1%	10 year swap	5.15	0.04

Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	8,711	-0.6%	<b>Australia</b>		
S&P 500	7,139	-0.5%	3 year bond	4.72	0.04
Japan Nikkei	59,917	-1.0%	10 year bond	5.03	0.05
Hang Seng	25,680	-0.9%	<b>United States</b>		
Euro Stoxx 50	5,836	-0.4%	3-month T Bill	3.58	0.00
UK FTSE100	10,333	0.1%	2 year bond	3.84	0.04
VIX Index	17.83	-1.1%	10 year bond	4.35	0.01

Commodities	Current	Change	Other (10 year yields)	Current	Change
CRB Index	385.62	1.2%	Germany	3.07	0.03
Gold	4596.75	-1.8%	Japan	2.48	0.00
Copper	13036	-1.3%	UK	5.01	0.03

	Current	Change	Sydney Futures Exchange	Current	Change
Oil (WTI futures)	99.93	3.7%	10 yr bond	5.08	0.03
Coal (coking)	231.50	0.4%	3 yr bond	4.79	0.05
Coal (thermal)	133.80	-0.2%	3 mth bill rate	4.08	-0.44
Iron Ore	106.45	-0.5%	SPI 200	8,694	-0.4%
ACCU	36.13	-4.3%			

Data as at 7:15am 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 generally adopted a risk off tone overnight as peace talks continued to stall. President Trump said Iran has asked the US to lift its naval blockade of the Strait of Hormuz while the two sides negotiate an end to the conflict. Mediators in Pakistan are reported to expect a revised Iranian proposal in the coming days.

Additional regional developments saw the UAE announce it will depart OPEC from 1 May, ending six decades of membership. The move follows years of tension with OPEC leader Saudi Arabia over oil output policy and broader regional influence, with the UAE stating the current conflict provided an opportune moment to exit. The UAE is one of the few producers with significant spare production capacity.

Elsewhere, the Bank of Japan held its policy rate unchanged at 0.75% in a 6–3 vote. BOJ commentary indicated core CPI is now expected to be materially higher and GDP growth lower than previously forecast.

- Equities fell across most jurisdictions. In the US, technology led stocks lower as concerns resurfaced over whether large investments in artificial intelligence will deliver expected returns, following reports that OpenAI missed several sales targets. The S&P 500 fell -0.5%, while the NASDAQ 100 posted a deeper decline of -0.9%. The Dow Jones proved more resilient, slipping -0.1%.
- European equities sold off, with the Eurostoxx 50 down -0.4%, although the FTSE 100 managed a modest 0.1% gain. Asian markets were mixed, with the Nikkei down -1.0%, and Hang Seng -0.9%, while Korea's KOSPI continued its rally to post an 0.4% gain, overtaking the UK to become the world's 8th largest stock market early in the session. Locally, the ASX fell -0.6%.
- The US bond market saw a flattening of the yield curve ahead of the FOMC decision. The US 2 year Treasury yield rose 4bps, while the 10 year yield increased by 1bp. Futures pricing for the terminal Fed funds rate implies a 24% probability of a further rate cut by year end. Elsewhere, Japan's 10 year yield held firm.
- Australian government bond yields moved higher ahead of today's CPI release. The 3 year yield rose 4bps, while the 10 year gained 5bps. Swap markets are pricing a 79% probability of a rate hike at next week's meeting, with the implied terminal cash rate for year end at 4.67%.
- FX markets saw modest USD strength, with the DXY up 0.1%. The Australian dollar eased -0.1% against the USD to end at 0.7180, while the Euro and Sterling also declined by -0.1%. The Bank of Japan's cautious stance, alongside its emphasis on assessing the impact of Middle East

## Today's key data and events

Time	Event	Exp	Prev
11:30	AU Monthly CPI Indicator Mar	4.8%	3.7%
11:30	AU Trimmed Mean CPI Q1	0.9%	0.9%
11:30	AU Trimmed Mean CPI Q1	3.5%	3.4%
11:30	AU Headline CPI Q1	1.4%	0.6%
18:00	EZ M3 Money Supply Mar	3.1%	3.0%
19:00	EZ Economic Confidence Apr	95.1pts	96.6pts
19:00	EZ Consumer Confidence Apr Final	-	-20.6pts
22:30	US Wholesale Inventories Mar Prel.	0.4%	0.8%
22:30	US Durable Goods Orders Mar Prel.	0.5%	-1.3%
22:30	US Housing Starts Mar	-0.4%	-
22:30	US Building Permits Mar Prel.	-0.6%	-
23:45	CA BoC Policy Decision 29/04/2026	2.2%	2.2%
4:00	US FOMC Policy Decision 29/04/2026	3.8%	3.8%

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.

developments, weighed on the Yen, with the USD gaining 0.1% against the currency.

- Oil prices continued to rise amid the lack of progress in peace talks, with Brent up 2.7% to US\$111/bbl and WTI gaining 3.7% to US\$99.9/bbl. Gold fell further under the uncertainty, down -1.8%, while copper and aluminium both declined, down -1.3% and -1.1% respectively. Iron ore edged lower by -0.5% after reports that Chinese steelmakers have been cleared to collect and trade BHP supplied iron ore accumulated at ports.

## International Data

The **Bank of Japan** held its policy rate at 0.75% in a 6–3 vote. Updated forecasts paint a stagflationary picture -- FY26 growth was revised sharply lower to 0.5% (from 1.5%), while core inflation is now expected to remain above 2% through to FY28. The policy board remains focused on restoring the rate as an effective policy lever, though forward guidance was deliberately sparse. Further hikes were signalled but the timing left open. We expect normalisation to continue, with the next move most likely in June, though July remains a possibility.

**US S&P Case Shiller 20-city house prices** edged down 0.05% in February on a seasonally-adjusted basis. The price level is now just 0.9% higher than a year ago.

The **Richmond Fed manufacturing index** rose from 0 to 3 in April, but business conditions deteriorated from +2 to -6.

**Conference Board consumer confidence** was broadly unchanged in April at 92.8, 11% below the 5-year average.

## Local Data

In New Zealand, the **Monthly Employment Indicator** showed filled jobs rose 0.3%*mth* (0.3%*yr*) in March, providing more evidence that the New Zealand economy was regaining momentum before the Iran conflict (see [here](#)).



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