



6 July 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

There was thin trading due to the US 4 July public holiday. Risk sentiment more broadly improved as Asian and Euro equities rebounded from the tech-led sell-off earlier in the week. Easing Middle East tensions, renewed optimism around US-Iran negotiations and more constructive messaging from ECB officials helped support markets

Domestically, the S&P/ASX 200 climbed 1.4% to 8,844. The Aussie strengthened against the US dollar and a broad range of major currencies, with the TWI rising 0.5% to 65.1. Bond futures moved modestly higher, with yields rising 1–2bps across the curve.

Over the weekend, OPEC+ agreed to increase production by 188k barrels per day in August, marking a fifth consecutive monthly increase. The move should help keep global oil markets well supplied, particularly if the ceasefire and broader peace efforts between the US and Iran hold.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	65.1	0.5%
AUD/USD	0.6940	0.3%
AUD/JPY	111.98	0.4%
AUD/GBP	0.5198	0.2%
AUD/NZD	1.2146	0.0%
AUD/EUR	0.6067	0.2%
AUD/CNH	4.7082	0.2%
AUD/SGD	0.8966	0.3%
AUD/HKD	5.4432	0.3%
AUD/CAD	0.9854	0.4%
EUR/USD	1.1437	0.0%
USD/JPY	161.34	0.1%
USD Index	100.86	0.0%

Equities	Close	Change
S&P/ASX 200	8,844	1.4%
S&P 500	7,483	0.0%
Japan Nikkei	69,744	1.5%
Hang Seng	23,350	1.3%
Euro Stoxx 50	6,413	0.8%
UK FTSE100	10,679	0.2%
VIX Index	15.81	-2.1%

Commodities	Current	Change
CRB Index	353.03	-0.2%
Gold	4176.94	1.3%
Copper	13366	0.3%
Oil (WTI futures)	68.78	0.1%
Coal (coking)	241.00	-0.4%
Coal (thermal)	129.00	-0.2%
Iron Ore	98.75	1.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.36	0.00
90 day BBSY	4.51	0.00
180 day BBSY	4.80	-0.01
1 year swap	4.50	-0.01
2 year swap	4.43	-0.01
3 year swap	4.39	-0.01
4 year swap	4.39	-0.02
5 year swap	4.42	-0.02
6 year swap	4.46	-0.03
7 year swap	4.52	-0.03
8 year swap	4.57	-0.03
9 year swap	4.63	-0.02
10 year swap	4.67	-0.02

Government Bond Yields	Close	Change
Australia		
3 year bond	4.41	-0.03
10 year bond	4.80	-0.02
United States		
3-month T Bill	3.67	-0.01
2 year bond	4.14	0.00
10 year bond	4.48	0.00

Other (10 year yields)		
Germany	2.94	0.03
Japan	2.79	0.00
UK	4.78	0.01

Sydney Futures Exchange	Current	Change
10 yr bond	4.84	0.01
3 yr bond	4.41	0.01
3 mth bill rate	4.51	0.00
SPI 200	8,794	-0.4%

Data as at 7:00am 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

- There was a slight risk-on tone to end the week as President Trump reiterated that Iran had “agreed to just about everything we need”. Investors also digested key messages from the ECB’s forum in Sintra, Portugal, where policymakers suggested that inflation risks had eased in recent weeks. ECB President Lagarde noted that uncertainty surrounding euro area inflation and growth had now diminished following data showing inflation had eased more than anticipated, while Middle East peace efforts put downward pressure on global oil prices.
- US markets were closed for the 4 July public holiday. Given this, the S&P 500 ended the week almost 2% lower, the tech-heavy Nasdaq declined 4.6% over the week, while the Dow Jones Industrial Average outperformed, ending the week 0.6% higher.
- European markets were stronger, with the Euro Stoxx 50 rising 0.8%, the FTSE 100 gaining 0.2%, while the German DAX finished at a fresh record high, advancing 0.4% on the day. Asian equities also performed well, led by a 1.5% rise in the Nikkei and a 1.3% increase in the Hang Seng. Locally, the S&P/ASX 200 climbed 1.4% to 8,844. SPI futures were down 0.4% to 8,794, pointing to a softer start for the local market.
- Moves in bond markets were generally modest. US Treasury markets were closed for the day, with the 2-year Treasury yield ending the week at 4.14% and the 10-year Treasury yield remaining at 4.48%. Interest rate futures now price one hike in late 2026 and no change through 2027. European bond yields moved slightly higher, with German 10-year Bund yields rising 3bps to 2.94% and UK 10-year gilt yields increasing 1bp to 4.78%. Japanese 10-year government bond yields were unchanged at 2.79%.
- Australian bond yields were slightly higher in futures markets. The 3-year government bond yield increased 1bp to 4.41%, while the 10-year government bond yield also rose 1bp to 4.84%. OIS pricing suggests a terminal cash rate of around 4.48% this year, with the market still not convinced of another RBA hike this cycle.
- In foreign exchange markets, the Aussie strengthened. The AUD/USD pair rose 0.3% to 0.6940, while the TWI increased 0.5% to 65.1. The Australian dollar also gained against the Japanese yen (+0.4%), pound sterling (+0.2%), euro (+0.2%), Chinese yuan (+0.2%), Singapore dollar (+0.3%) and Canadian dollar (+0.4%), while remaining broadly unchanged against the New Zealand dollar.

Today’s key data and events

Time	Event	Exp	Prev
11:00	AU MI Inflation Gauge Jun	-	4.4%
11:00	NZ ANZ Commodity Prices Jun	-	0.7%
11:30	AU ANZ Job Ads Jun	-	1.8%
18:30	EZ Sentix Investor Confidence Jul	-	-13.4pts
19:00	EZ PPI May	-	0.6%
19:00	EZ Retail Sales May	0.3%	-0.4%
23:45	US S&P Services PMI Jun Final	-	51.3pts
0:00	US ISM Services Jun	54.2pts	54.5pts

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.

- Commodity markets were mixed. Iron ore rose 1.0% to US\$98.75/t and copper increased 0.3%. Coal prices weakened slightly, with coking coal down 0.4% and thermal coal down 0.2%. Gold rose 1.3%, while the broader CRB Index fell 0.2%.
- WTI crude oil edged 0.1% higher to US\$68.78/bbl. This was before the weekend announcement that OPEC+ would raise production by around 188,000 barrels per day in August, marking a fifth consecutive monthly increase as the cartel continues to unwind production cuts introduced in recent years. The decision means OPEC+ has now restored around 940,000 barrels per day of supply since the process began.

International Data

Global PMIs were mixed. Japan continued to outperform, while China remained a bright spot, with activity easing only modestly from very strong levels and growth remaining broad-based across the economy. The Eurozone and UK showed signs of stabilisation.

Japan’s S&P Global Composite PMI Business Activity Index was revised higher to 52.8 in June 2026 from the flash estimate of 52.5, marking its highest level since March.

China’s RatingDog General Composite PMI eased to 53.6 in June 2026 from a three-month high of 54.0 in May.

The S&P Global Eurozone Composite PMI was revised up to 50.0 in June 2026 from a preliminary reading of 49.5 and above May’s 48.5, signalling a stabilisation in private sector activity

The S&P Global UK Composite PMI fell to 49.3 in June 2026 from 49.7 in May, revised from the flash estimate of 49.4. The decline marked a second consecutive month of contraction following an 11-month period of expansion.

Local Data

here was no significant top tier data released on Friday.



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