



10 June 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Mixed headlines coming out of the Middle East highlights the tenuous nature of the ceasefire to date, with reports that Iran downed a US Apache helicopter over the Strait of Hormuz jarring against earlier news of progress in negotiations, as Iran sent a new draft agreement to the US.

Markets were largely unphased by President Trump's vows to "respond to this attack", with Brent oil continuing to trade lower to around US\$92/bbl.

Treasury yields fell against this backdrop and market pricing for the Federal Reserve remains little-changed ahead of the CPI data tonight.

Share markets continue to be driven by flows in-and-out of tech stocks: this time, a rotation out of the sector saw the S&P 500 and NASDAQ fall.

The USD traded in mixed fashion, with the DXY ultimately finished 0.1% lower from yesterday's close.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	65.9	-0.9%
AUD/USD	0.7019	-0.2%
AUD/JPY	112.57	-0.1%
AUD/GBP	0.5248	-0.5%
AUD/NZD	1.2078	-0.4%
AUD/EUR	0.6084	-0.3%
AUD/CNH	4.7593	-0.3%
AUD/SGD	0.9033	-0.4%
AUD/HKD	5.5014	-0.2%
AUD/CAD	0.9792	-0.2%
EUR/USD	1.1541	0.1%
USD/JPY	160.38	0.1%
USD Index	99.94	-0.1%

Equities	Close	Change
S&P/ASX 200	8,604	-0.2%
S&P 500	7,387	-0.3%
Japan Nikkei	65,417	2.2%
Hang Seng	24,566	-0.4%
Euro Stoxx 50	6,050	-0.2%
UK FTSE100	10,227	-1.4%
VIX Index	19.87	5.0%

Commodities	Current	Change
CRB Index	372.32	-1.3%
Gold	4261.01	-1.6%
Copper	13615	0.0%
Oil (WTI futures)	88.20	-3.4%
Coal (coking)	246.00	-1.2%
Coal (thermal)	146.95	-2.3%
Iron Ore	100.70	0.5%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.36	0.01
90 day BBSY	4.53	0.00
180 day BBSY	4.93	0.01
1 year swap	4.59	-0.07
2 year swap	4.55	-0.09
3 year swap	4.50	-0.10
4 year swap	4.50	-0.09
5 year swap	4.53	-0.08
6 year swap	4.57	-0.08
7 year swap	4.62	-0.07
8 year swap	4.67	-0.07
9 year swap	4.72	-0.07
10 year swap	4.77	-0.07

Government Bond Yields	Close	Change
Australia		
3 year bond	4.55	-0.01
10 year bond	4.92	0.01
United States		
3-month T Bill	3.61	-0.02
2 year bond	4.12	-0.04
10 year bond	4.52	-0.05
Other (10 year yields)		
Germany	3.04	-0.02
Japan	2.68	-0.04
UK	4.90	-0.04

Sydney Futures Exchange	Current	Change
10 yr bond	4.91	-0.03
3 yr bond	4.51	-0.05
3 mth bill rate	4.48	0.00
SPI 200	8,624	0.2%

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

Headlines coming out of the Middle East were mixed overnight. Sentiment was buoyed earlier from reporting that Iran had sent a new draft agreement to the US, the proposal including extending the ceasefire, reopening the Strait of Hormuz, sanctions relief, and nuclear restrictions. Later, Vice President Vance stated that a deal “could happen in the next week ... could also happen months from now”, but “absolutely” before the November midterms. However, US President Trump stated overnight that Iran shot down a US Apache helicopter while patrolling over the Strait of Hormuz, to which he vowed to “respond to this attack”, highlighting the tenuous nature of the ceasefire so far. Markets do not seem to be interpreting this as apparent escalation as derailing negotiations, instead focusing progress towards a ‘deal’.

- Momentum in US share markets continue to be driven by flows in-and-out of tech stocks: this time, a rotation out of the sector saw the S&P 500 (−0.3%) and NASDAQ (−1.0%) fall, while a bid for economically sensitive stocks saw the Dow Jones (+0.2%) rise. Over the course of the session, moves were peppered with mixed war headlines but they have since been retraced or drowned out by the broader flows in-and-out of tech.
- Stocks fell more sharply in London (−1.4%) while the Euro Stoxx 50 was steadier (−0.2%). Asian share markets were mixed yesterday, with lower oil prices and an AI-led rebound driving gains in Tokyo (+2.2%), Shanghai (+1.9%) and Seoul (+8.2%), while weakness in financial stocks weighed in Hong Kong (−0.4%). The ASX 200 also declined −0.2%, driven chiefly materials. Following the action overnight, futures markets are pointing to a weaker open this morning.
- Treasuries rallied against the backdrop of lower oil prices despite mixed headlines, calming some nerves over inflation ahead of tonight’s CPI data. The 2Y fell 4bps to 4.12% while the 10Y fell 5bps to 4.52%. Fed pricing is little-changed in the lead-up to CPI, with markets still flirting with the idea of a rate hike coming as soon as December.
- ACGB yields opened higher during local trading but a firmer bid took hold over the course of the day, seeing yields fall again and finish little-changed from Friday’s close. The 3Y fell 1bp to 4.55% while the 10Y rose 1bp to 4.92%. Futures trading overnight found a firmer bid, seeing yields rise across the curve. Markets remain hesitant to price-in any more moves from the RBA.
- The USD traded in mixed fashion, with the DXY initially sliding to around 99.7 before retracing those loses back to just under the 100.0 mark, ultimately finished 0.1% lower from yesterday’s close. Action was mixed among the major crosses, with the Euro (0.1%) and Sterling (0.3%) gaining

Today’s key data and events

Time	Event	Exp	Prev
11:30	CN PPI May y/y	3.8%	2.8%
11:30	CN CPI May y/y	1.3%	1.2%
22:30	US CPI May	0.5%	0.6%
23:45	CA BoC Policy Decision	2.25%	2.25%

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.

against the greenback while the Japanese Yen continues to weaken (−0.1%); at around USD160.4, it is close to extending beyond levels last seen before the intervention in late April. The Aussie dollar slipped by a bit more versus the greenback, down 0.2% to around USD0.7020 at the time of writing.

- After trending steadily lower over the course Asian trading, crude oil traded a volatile range overnight in reaction to mixed war headlines, ranging from comments from Vice President Vance that a deal is “weeks” or “months” away, to President Trump vowing to respond to a downing of an Apache helicopter. Brent and WTI ultimately finished 2.5% and 3.4% lower at US\$91.85/bbl and US\$88.20/bbl respectively.
- Gold continued to slide lower despite a drop in yields overnight, down −1.6% to around US\$4,260/oz, reflecting lingering concerns over the risk of higher inflation stemming from the conflict. Metals were mixed, with LME copper flat while aluminium fell −1.6%. Iron ore rose slightly to trade above the US\$100/mt mark.

International Data

In the US, the **trade deficit** narrowed slightly in April, from US\$56.6bn to US\$55.9bn, with a strong rise in export earnings owing to growth in oil shipments more than offsetting a rise in the import bill. The **NFIB small business optimism index** meanwhile showed a further deterioration in sentiment in May, the headline index falling 0.6pts to 95.3, the lowest level in around a year-and-a-half. Growth in **existing home sales** surprised to the upside, up 3.2%, though sales volumes remains low by historical standards.

In China, the **trade surplus** widened by more than expected in May, from US\$84.8bn to US\$105.4bn, buoyed by AI hardware exports and electric vehicles, the latter of which highlights the benefits to China from heightened uncertainty around energy security stemming from the Middle East conflict.

Local Data

In Australia, June’s **Westpac-MI Consumer Sentiment Index** slipped 2.6 fall to 80.6, consistent with deep pessimism amid pressure on family finances and uncertainty about the economic outlook (see [here](#)). Meanwhile, May’s **NAB Business Survey** reported a slight moderation in cost pressures and a partial retracement in business pessimism (see [here](#)).



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