



25 June 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Market sentiment steadied after the tech-led sell-off, supported by stronger-than-expected Micron guidance and oil prices retreating towards pre-war levels.

Equities stabilised after recent losses, with Korea's KOSPI, a major contributor to yesterday's sell-off, seeing a rebound.

US Treasury yields declined as falling oil prices eased inflation concerns, while Australian government bond yields were little changed following the domestic inflation print.

The USD extended its gains for a fifth consecutive session, with the DXY higher and the AUD weakening against the greenback.

Oil prices fell sharply as increased traffic through the Strait of Hormuz boosted supply expectations, with Brent and WTI both declining to their lowest levels since before the conflict. Gold extended its decline on the back of higher US rate expectations and a stronger USD, falling below US\$4,000/oz for the first time since November.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	65.0	-0.5%
AUD/USD	0.6901	-0.2%
AUD/JPY	111.63	-0.1%
AUD/GBP	0.5240	0.0%
AUD/NZD	1.2212	0.1%
AUD/EUR	0.6075	0.0%
AUD/CNH	4.7012	0.0%
AUD/SGD	0.8951	-0.2%
AUD/HKD	5.4096	-0.2%
AUD/CAD	0.9822	-0.1%
EUR/USD	1.1358	-0.2%
USD/JPY	161.77	0.1%
USD Index	101.59	0.2%

Equities	Close	Change
S&P/ASX 200	8,808	0.2%
S&P 500	7,358	-0.1%
Japan Nikkei	69,175	-0.9%
Hang Seng	23,412	0.3%
Euro Stoxx 50	6,215	-0.3%
UK FTSE100	10,462	0.3%
VIX Index	18.63	-4.4%

Commodities	Current	Change
CRB Index	350.01	-1.5%
Gold	3999.41	-2.9%
Copper	13086	-2.1%
Oil (WTI futures)	69.89	-4.5%
Coal (coking)	243.00	0.0%
Coal (thermal)	128.85	-1.8%
Iron Ore	98.50	1.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.35	0.00
90 day BBSY	4.53	0.01
180 day BBSY	4.85	0.00
1 year swap	4.52	0.00
2 year swap	4.44	-0.01
3 year swap	4.36	-0.03
4 year swap	4.35	-0.03
5 year swap	4.37	-0.04
6 year swap	4.41	-0.04
7 year swap	4.45	-0.05
8 year swap	4.51	-0.05
9 year swap	4.56	-0.05
10 year swap	4.60	-0.06

Government Bond Yields	Close	Change
Australia		
3 year bond	4.40	0.01
10 year bond	4.76	-0.01
United States		
3-month T Bill	3.69	0.01
2 year bond	4.15	-0.05
10 year bond	4.39	-0.10
Other (10 year yields)		
Germany	2.87	-0.05
Japan	2.68	0.00
UK	4.68	-0.07

Sydney Futures Exchange	Current	Change
10 yr bond	4.75	-0.05
3 yr bond	4.36	-0.03
3 mth bill rate	4.54	0.00
SPI 200	8,812	0.2%

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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Luka Belobrajdic
Economist, Westpac Group
P: +61 403 657 603
E: luka.belobrajdic@westpac.com.au

Financial Markets

Market sentiment steadied after yesterday's tech-led sell-off, with Micron's sales forecast exceeding estimates and helping support the view that the AI rally remains sustainable. Elsewhere, continued traffic through the Strait of Hormuz saw oil prices retreat towards pre-war levels.

At the same time, Australia's trimmed mean inflation accelerated to 0.4%*mt*, taking the annual pace to 3.6%*yr*. While broadly in line with market expectations, the result remains meaningfully above the RBA's target band.

- Equities steadied following yesterday's sharp losses. In the US, the S&P 500 was unable to return to growth, slipping -0.1%, while the NASDAQ underperformed, declining -0.4%. The Dow Jones proved more resilient, rising 0.4%. European equities were mixed, with the Euro Stoxx 50 down -0.3%, while the FTSE 100 gained 0.3%.
- Asian equities generally reversed course, with Korea's KOSPI, a key driver of yesterday's sell-off, rebounding 3.3%. The Hang Seng also posted a 0.3% gain, while the Nikkei 225 lagged, falling -0.9%. Locally, the ASX 200 gained 0.2% as global sentiment improved.
- US Treasury's rallied as oil prices continued to move towards pre-war levels, reducing market concerns around inflation. The US 2-year yield fell 5bps, while the 10-year declined a larger 10bps. Futures markets continue to fully price an additional Fed hike this year, with October seen as the most likely timing.
- Australian government bond yields were little changed, with trimmed mean inflation broadly in line with expectations at 3.6%*yr* versus a market forecast of 3.5%*yr*. The 3-year yield rose 1bp, while the 10-year yield fell 1bp. Swap markets remain reluctant to price a further RBA rate hike this year.
- FX markets saw a fifth consecutive day of gains for the US dollar, with the DXY up 0.2%. The Australian dollar fell -0.2% against the greenback to 0.6901, while the yen (-0.1%), euro (-0.2%) and sterling (-0.3%) also weakened. Against other crosses, the AUD was little changed.
- Oil continued to soften as increased traffic flows out of the Middle East added to supply expectations. Suppliers remain increasingly challenged in sourcing vessels willing to enter the Strait, with many shipowners having diverted fleets to alternative routes during the closure. Brent fell -5.2% to US\$73.1/bbl, while WTI declined -4.5% to US\$69.9/bbl. Dated Brent traded at US\$72.1/bbl.
- Gold extended its decline, falling -2.9% to move below US\$4,000/oz for the first time since November as higher rate expectations and a stronger US dollar weighed on the

Today's key data and events

Time	Event	Exp	Prev
11:30	AU Employment May	32.5k	-18.6k
11:30	AU Unemployment Rate May	4.4%	4.5%
11:30	AU Household Spending May	0.5%	-1.1%
22:30	US Personal Income May	0.4%	0.0%
22:30	US Personal Spending May	0.6%	0.5%
22:30	US PCE Deflator May	0.5%	0.4%
22:30	US Core PCE Deflator May	0.3%	0.2%
22:30	US GDP Q1 T	1.6%	1.6%
22:30	US Initial Jobless Claims	225k	226k
22:30	US Durable Goods Orders May Prel.	-5.0%	8.0%
22:30	US Chicago Fed Activity Index May	0.1pts	0.1pts
1:00	US Kansas City Fed Jun	6pts	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.

precious metal. Base metals were also weaker, with copper down 2.1% and aluminium falling 3.4%, while iron ore gained 1.0%.

International Data

US new home sales fell 7.3% in May to be 6.8% lower over the year and near cycle lows.

Germany's IFO business climate index firmed in June from 85.0 to 85.6, principally owing to an uplift in current conditions, while expectations edged higher at the margin.

Local Data

May headline **CPI** fell -0.7%*mt* to be up 4.0%*yr*. While below both our and market expectations, trimmed mean inflation printed at 0.4%*mt* and 3.6%*yr*, in line with our forecast but slightly above market expectations. The result suggests second round effects from the Middle East supply shock are increasingly feeding through to consumer prices, with housing remaining a key pressure point (see [here](#)).



Corporate Directory

Westpac Economics / Australia

Sydney

Level 19, 275 Kent Street
Sydney NSW 2000
Australia

E: economics@westpac.com.au

Luci Ellis

Chief Economist Westpac Group
E: luci.ellis@westpac.com.au

Matthew Hassan

Head of Australian Macro-Forecasting
E: mhassan@westpac.com.au

Elliot Clarke

Head of International Economics
E: eclarke@westpac.com.au

Sian Fenner

Head of Business and Industry Economics
E: sian.fenner@westpac.com.au

Justin Smirk

Senior Economist
E: jsmirk@westpac.com.au

Pat Bustamante

Senior Economist
E: pat.bustamante@westpac.com.au

Mantas Vanagas

Senior Economist
E: mantas.vanagas@westpac.com.au

Ryan Wells

Economist
E: ryan.wells@westpac.com.au

Illiana Jain

Economist
E: illiana.jain@westpac.com.au

Neha Sharma

Economist
E: neha.sharma1@westpac.com.au

Luka Belobrajdic

Economist
E: luka.belobrajdic@westpac.com.au

Westpac Economics / New Zealand

Auckland

Takutai on the Square
Level 8, 16 Takutai Square
Auckland, New Zealand

E: economics@westpac.co.nz

Kelly Eckhold

Chief Economist NZ
E: kelly.eckhold@westpac.co.nz

Michael Gordon

Senior Economist
E: michael.gordon@westpac.co.nz

Darren Gibbs

Senior Economist
E: darren.gibbs@westpac.co.nz

Satish Ranchhod

Senior Economist
E: satish.ranchhod@westpac.co.nz

Paul Clark

Industry Economist
E: paul.clarke@westpac.co.nz

Westpac Economics / Fiji

Suva

1 Thomson Street
Suva, Fiji

Shamal Chand

Senior Economist
E: shamal.chand@westpac.com.au



westpaciq.com.au

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