



30 June 2026

# MORNING REPORT

Today's economic developments and market movements.

## Key themes

There was a risk-on tone overnight as peace talks over the Strait of Hormuz are set to continue, with both the US and Iran agreeing to halt the attacks seen over the weekend.

US equities rallied, reversing some of last week's sharp sell-off. Tech stocks led the market higher, with the Mag Seven index climbing more than 2.5%. European equities were mixed, while Asian markets were generally higher.

Bond markets were little changed, while the US dollar index slipped. The yen touched its weakest level against the dollar since 1986. The Aussie was slightly lower, trading at 0.6886 against the greenback, while the TWI was broadly unchanged.

Commodity markets were mixed, with oil jumping higher despite the prospect of peace talks. Iron ore also edged higher.

## Data snapshot

FX Last 24 hrs	Current	Change	AUS Interest Rate Swaps	p	Change
TWI	64.8	0.0%	30 day BBSY	4.34	-0.01
AUD/USD	0.6886	-0.1%	90 day BBSY	4.51	0.00
AUD/JPY	111.49	0.0%	180 day BBSY	4.86	0.00
AUD/GBP	0.5195	-0.6%	1 year swap	4.50	0.00
AUD/NZD	1.2178	-0.3%	2 year swap	4.42	0.00
AUD/EUR	0.6027	-0.4%	3 year swap	4.36	0.00
AUD/CNH	4.6819	-0.2%	4 year swap	4.35	0.00
AUD/SGD	0.8901	-0.2%	5 year swap	4.38	-0.01
AUD/HKD	5.3995	-0.1%	6 year swap	4.42	-0.01
AUD/CAD	0.9785	0.0%	7 year swap	4.47	-0.01
EUR/USD	1.1426	0.3%	8 year swap	4.52	-0.01
USD/JPY	161.92	0.1%	9 year swap	4.57	-0.02
USD Index	101.12	-0.2%	10 year swap	4.61	-0.01

  

Equities	Close	Change	Government Bond Yields	Close	Change
S&P/ASX 200	8,823	0.7%	<b>Australia</b>		
S&P 500	7,440	1.2%	3 year bond	4.39	0.03
Japan Nikkei	69,468	0.2%	10 year bond	4.75	0.03
Hang Seng	23,027	1.6%	<b>United States</b>		
Euro Stoxx 50	6,232	0.2%	3-month T Bill	3.68	0.01
UK FTSE100	10,484	-0.2%	2 year bond	4.10	0.01
VIX Index	17.65	-4.1%	10 year bond	4.37	0.01
			<b>Other (10 year yields)</b>		
<b>Commodities</b>	<b>Current</b>	<b>Change</b>	Germany	2.86	0.01
CRB Index	351.31	-0.3%	Japan	2.64	0.02
Gold	4015.33	-1.8%	UK	4.72	-0.01
Copper	13278	-0.6%			
Oil (WTI futures)	70.75	2.2%	<b>Sydney Futures Exchange</b>	<b>Current</b>	<b>Change</b>
Coal (coking)	243.17	0.0%	10 yr bond	4.77	-0.01
Coal (thermal)	127.45	1.8%	3 yr bond	4.37	0.00
Iron Ore	98.80	0.1%	3 mth bill rate	4.51	0.00
ACCU	36.13	-4.3%	SPI 200	8,825	0.0%

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 overnight after President Trump said peace talks with Iran are set to resume. Control of the Strait of Hormuz is expected to be a key focus of upcoming negotiations, with Iran stating that it wants to maintain oversight of traffic through the Strait, while US Secretary of State Marco Rubio said that any attempt to impose tolls on ships passing through the waterway would be unacceptable. The prospect of renewed diplomacy helped ease some geopolitical concerns and supported sentiment across financial markets.
- With negotiations back on, major US equity indices rallied, recovering some of last week's sharp losses. The market was led higher by technology stocks, with the Magnificent Seven megacaps rising 2.6%. Sentiment in the tech sector was further supported after Samsung Electronics and SK Hynix announced plans to invest more than US\$500bn in a new semiconductor manufacturing hub in South Korea.
- The S&P 500 climbed 1.2%, while the Dow Jones Industrial Average added 306 points, or 0.6%. The Nasdaq Composite outperformed, rising 2.1% as investors rotated back into growth stocks. Volatility also eased, with the VIX falling 4.1% to 17.65 points.
- European markets were mixed. The Euro Stoxx 50 rose 0.2%, while the FTSE 100 slipped 0.2%. Elsewhere, Asian equities performed well, led by a 1.6% rise in the Hang Seng, while the Nikkei gained 0.2%. Locally, the S&P/ASX 200 rose 0.7% to 8,823, supported by gains across resources and financials. SPI futures were little changed, suggesting a steady start for the local market.
- Moves in bond markets were generally modest. US Treasury yields edged slightly higher across the curve, with the 2-year Treasury yield up 1bp to 4.10% and the 10-year Treasury yield up 1bp to 4.37%. Interest rate futures now price one hike in late 2026 and no change through 2027.
- European bond markets were mixed. German 10-year Bund yields rose 1bp to 2.86%, while UK 10-year gilt yields eased 1bp to 4.72%. In Japan, the 10-year government bond yield rose 2bps to 2.64%.
- Australian government bond yields were little changed on futures. The 3-year government bond yield was unchanged at 4.37% on futures, while the 10-year yield declined 1bp to 4.77%. OIS pricing suggests a terminal cash rate of around 4.47% this year, with the market still not convinced of another hike.
- In foreign exchange markets, the US dollar softened modestly. The DXY fell 0.2% to 101.12, extending its recent pullback. The yen touched its weakest level against the

## Today's key data and events

Time	Event	Exp	Prev
9:30	JP Job-to-Applicant May	120.0%	120.0%
9:50	JP Industrial Production May Prel.	0.7%	0.5%
11:00	NZ ANZ Business Confidence Jun	-	10pts
11:30	AU RBA Minutes	-	-
11:30	AU Private Sector Credit May	0.6%	0.7%
11:30	CN Manufacturing PMI Jun	50.1pts	50pts
11:30	CN Non-Manufacturing PMI Jun	49.9pts	50.1pts
16:00	GB GDP Q1 Final	0.6%	0.6%
23:00	US FHFA House Prices Apr	0.2%	0.1%
23:00	US S&P/Cs Home Price Index Apr	-0.1%	-0.2%
23:45	US Chicago PMI Jun	55.4pts	62.7pts
0:00	US Consumer Confidence Jun	94.6pts	93.1pts
0:00	US Jolts Job Openings May	7287.5k	7618k

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.

dollar since 1986. The Australian dollar was weaker against most major currencies, falling 0.1% against the US dollar to 0.6886, 0.6% against sterling, 0.4% against the euro and 0.3% against the New Zealand dollar. Against Asian currencies, moves were generally modest, leaving the TWI unchanged at 64.8.

- Commodity markets were mixed. WTI crude oil rose 2.2% to US\$70.75/bbl as traders assessed the prospects of upcoming peace talks between the US and Iran. Industrial commodities were also mixed, with iron ore edging 0.1% higher to US\$98.80/t, while copper declined 0.6%. Coal prices were also stronger, with thermal coal rising 1.8%. In contrast, precious metals weakened, with gold falling 1.8%.

## International Data

**The EC Economic Confidence Survey** showed that confidence in the euro area improved this month, with the headline index rising 1.3pts to 95.0, though it remains well below the levels seen at the beginning of the year. Construction firms reported the lowest confidence levels in almost two years, while businesses in industry and services turned slightly more upbeat in the latest month. The retail sector saw a more substantial improvement, with the relevant index rising by more than 1pt

**The Dallas Fed Activity Survey** of Texas business executives indicated that business conditions were unchanged in June, with the headline index coming in at zero, very similar to the May's print. The survey highlighted weaker production growth and softer new orders, with both indicators falling to their lowest levels this year. On the inflation front, input cost growth remained very high, while the indicator for product prices also rose significantly, suggesting substantial pass-through.

## Local Data

There was no top tier data released yesterday.



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