15 September 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Markets started the week in a risk-off mood given the weekend's developments – Saudi Arabia's East-West pipeline closure, which recent reports suggest could last weeks, and calls from leaders of the world's largest AI companies to slow the technology's development.

However, moves were partly buffered after US President Trump pushed back against controls on AI. Trump also touted an 'agreement' that energy infrastructure will not be targeted between Russia and Ukraine, while also hinting at potentially re-engaging discussions with Iran.

US 10-year treasury yields popped above the 5.0% mark intraday against the backdrop of higher crude oil prices, with Brent up 1.6% to US$106.3/bbl. Inflation concerns remain front-of-mind ahead of the FOMC's decision this week, where markets have nearly fully priced in a hike.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	65.8	-0.3%
AUD/USD	0.7139	-0.4%
AUD/JPY	110.17	0.1%
AUD/GBP	0.5282	-0.1%
AUD/NZD	1.2363	0.2%
AUD/EUR	0.6179	0.0%
AUD/CNH	4.7881	-0.4%
AUD/SGD	0.9059	-0.2%
AUD/HKD	5.5991	-0.4%
AUD/CAD	0.9924	-0.2%
EUR/USD	1.1550	-0.4%
USD/JPY	154.34	0.5%
USD Index	99.48	0.4%

Equities	Close	Change
S&P/ASX 200	8,750	0.1%
S&P 500	7,620	-0.5%
Japan Nikkei	63,493	-0.8%
Hang Seng	24,918	0.5%
Euro Stoxx 50	6,260	-1.0%
UK FTSE100	10,698	0.4%
VIX Index	17.1	8.0%

Commodities	Current	Change
CRB Index	423.87	0.2%
Gold	4299.62	-1.1%
Copper	14001	-1.7%
Oil (WTI futures)	101.94	1.9%
Coal (coking)	271.00	0.0%
Coal (thermal)	148.55	0.4%
Iron Ore	95.80	-1.0%
ACCU	36.13	-4.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.45	0.01
90 day BBSY	4.72	0.01
180 day BBSY	5.09	0.01
1 year swap	4.92	-0.01
2 year swap	4.98	-0.01
3 year swap	4.96	-0.03
4 year swap	4.97	-0.03
5 year swap	4.99	-0.03
6 year swap	5.03	-0.02
7 year swap	5.06	-0.03
8 year swap	5.11	-0.02
9 year swap	5.15	-0.02
10 year swap	5.18	-0.02

Government Bond Yields	Close	Change
Australia		
3 year bond	4.96	-0.04
10 year bond	5.34	-0.03
United States		
3-month T Bill	3.94	0.02
2 year bond	4.66	0.03
10 year bond	4.99	0.02
Other (10 year yields)		
Germany	3.52	0.01
Japan	3.01	0.02
UK	5.37	0.02

Sydney Futures Exchange	Current	Change
10 yr bond	5.33	-0.01
3 yr bond	4.97	0.02
3 mth bill rate	4.63	0.00
SPI 200	8,731	-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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Financial Markets

- Share markets started the week on a weaker note given the weekend's developments on the Middle East conflict and calls from leaders of the world's largest AI companies to slow the technology's development. Losses on stocks were limited in the US however, after President Trump pushed back against any controls on AI. Despite opening much weaker, the S&P 500 and NASDAQ only fell by 0.5% and 0.6%, respectively.
- European stocks were hit harder by the risk-off backdrop, the Euro Stoxx 50 down 1.0%. However, London's FTSE 100 outperformed with a 0.4% gain. Asian share markets were mostly weaker: declines in Tokyo (–0.8%), Shanghai (–0.7%) and Seoul (–3.3%), although Hong Kong (+0.5%) rose. The ASX 200 eked out a 0.1% gain following a string of declines over last week, and futures markets are pointing to a slightly softer open this morning.
- Treasuries continued to sell-off on Monday as concerns over inflation risks rose following reports that Saudi Arabia's East-West pipeline closure could now last for "several weeks". The 10Y treasury yield popped above 5.0% intraday, the first time that threshold has been surpassed since 2023, but it ultimately finished the session 2bps higher at 4.99%. Markets have nearly fully priced in an FOMC rate hike this week, and beyond that move, see another 3-4 rate hikes occurring through 2026 and 2027.
- Global yields were generally higher too, though moves were generally larger at the short end, with 10Y Bund, Gilt and JGB yields all inching only 1-2bp higher. Meanwhile, ACGBs rallied during local trading, the 3Y down 4bps to 4.96% while the 10Y fell 3bps to 5.34%. Swaps markets see a September RBA rate hike at around a 74% chance, with another rate hike priced in for early 2027.
- The USD was mostly bid throughout Monday's session, the DXY index rising 0.4% to around 99.5. The Euro slipped 0.4% against the greenback, down to around USD1.155, which is its lowest since mid-August. The Yen also fell 0.5% versus the USD, and at JPY154, it remains in a similar range to late last week. The Sterling only edged 0.2% lower, holding around USD1.35.
- The Aussie dollar also dropped around 0.4%, down around a full cent from last week's highs, trading currently around USD0.714. The local data calendar is very light this week besides an RBA Testimony before the House of Reps on Friday, leaving offshore developments – the Middle East, and central bank meetings from the FOMC, BoE and BoJ – to drive moves.

Today's key data and events

Time	Event	Exp	Prev
8:45	NZ Card Spending Aug	-	1.0%
12:00	CN Retail Sales YoY YTD Aug	-	1.2%
12:00	CN Industrial Production YoY YTD Aug	-	5.3%
12:00	CN Fixed Asset Investment YoY YTD Aug	-7.1%	-6.7%
16:00	GB ILO Unemployment Rate Jul	4.9%	4.9%
19:00	EZ Zew Survey Of Expectations Sep	-	31.4pts
22:30	US Fed Empire State Manufacturing Sep	15pts	20.6pts

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.

- Crude oil prices continued to push higher at the start of the week, markets responding to the news of Saudi Arabia's East-Wet pipeline closure, though gains were limited given President Trump was touting an 'agreement' that energy infrastructure will not be targeted between Russia and Ukraine, alongside hinting at potentially re-engaging discussions with Iran.
- Brent and WTI rose 1.6% and 1.9% to US$106.3/bbl and US$101.9/bbl respectively. Metals generally traded lower, with LME copper down 1.7% to US$14,001/mt amid the broader risk-off mood in markets. Gold edged lower as well, down 1.1% to around US$4,300/oz, against the backdrop of higher real yields.

Local Data

In New Zealand, the **Performance Services Index** rose from 50.6 to 51.2 in August, driven by an improvement in employment and a bounce higher in new orders/business, while activity/sales softened a touch.

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