22 September 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Cooling oil prices and reports of productive US-China discussions on AI, trade and investment ahead of this week's Trump-Xi meeting supported market sentiment, with technology stocks providing an additional boost.

Global equities advanced on lower oil prices, with technology shares leading the gains.

The US Treasury curve flattened, with futures markets continuing to price a better-than-even chance of an October Fed hike and a fully priced move in December.

The US dollar strengthened modestly, with the yen leading losses among the major currencies as USD/JPY moved back above 157.

Oil prices extended their recent decline on signs Saudi Arabia is increasing exports and after President Trump said he would "probably" be open to meeting his Iranian counterpart on the sidelines of this week's UN General Assembly.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	66.0	0.0%
AUD/USD	0.7119	0.0%
AUD/JPY	112.00	0.3%
AUD/GBP	0.5326	0.2%
AUD/NZD	1.2453	0.1%
AUD/EUR	0.6209	0.1%
AUD/CNH	4.7647	-0.1%
AUD/SGD	0.9086	-0.1%
AUD/HKD	5.5851	-0.1%
AUD/CAD	0.9990	0.3%
EUR/USD	1.1465	-0.2%
USD/JPY	157.35	0.3%
USD Index	100.42	0.2%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.52	0.05
90 day BBSY	4.78	0.04
180 day BBSY	5.15	0.02
1 year swap	4.95	-0.01
2 year swap	4.98	-0.02
3 year swap	4.97	-0.03
4 year swap	4.95	-0.04
5 year swap	4.97	-0.04
6 year swap	4.99	-0.05
7 year swap	5.03	-0.05
8 year swap	5.06	-0.05
9 year swap	5.10	-0.06
10 year swap	5.13	-0.06

Equities	Close	Change
S&P/ASX 200	8,732	0.0%
S&P 500	7,765	1.5%
Japan Nikkei	65,019	1.4%
Hang Seng	25,043	1.2%
Euro Stoxx 50	6,318	1.3%
UK FTSE100	10,739	0.7%
VIX Index	14.87	0.4%

Government Bond Yields	Close	Change
Australia		
3 year bond	4.97	0.04
10 year bond	5.28	0.02
United States		
3-month T Bill	3.98	0.00
2 year bond	4.75	0.00
10 year bond	4.95	-0.05
Other (10 year yields)		
Germany	3.46	-0.06
Japan	2.99	0.00
UK	5.21	-0.08

Commodities	Current	Change
CRB Index	419.27	-0.8%
Gold	4342.50	-0.8%
Copper	14661	1.0%
Oil (WTI futures)	95.37	-4.9%
Coal (coking)	263.00	0.4%
Coal (thermal)	142.35	-0.6%
Iron Ore	97.05	-0.2%
ACCU	36.13	-4.3%

Sydney Futures Exchange	Current	Change
10 yr bond	5.29	-0.02
3 yr bond	4.99	0.00
3 mth bill rate	4.63	0.00
SPI 200	8,807	0.3%

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

Cooling oil prices and Scott Bessent's characterisation of talks with China on AI, trade and investment as "very successful" ahead of this week's meeting between Presidents Trump and Xi buoyed sentiment, with strength in the technology sector providing an additional boost.

- US equities advanced, led by technology stocks. The S&P 500 gained 1.5%, while the NASDAQ outperformed, rising 2.3%, and the Dow Jones added 0.7%. European equities also moved higher, with the Euro Stoxx 50 up 1.3% and the FTSE 100 gaining 0.7%.
- Lower oil prices and the continued rally in semiconductor stocks supported sentiment across Asia. The KOSPI led gains, rising 1.7%, while the Nikkei 225 advanced 1.4% and the Hang Seng gained 1.2%. Locally, the ASX 200 finished the day unchanged after recovering from earlier losses.
- The US Treasury yield curve flattened overnight, with the 2-year yield unchanged and the 10-year yield falling 5bps. Futures markets continue to price the probability of an October hike at just over 50%, while a December move remains fully priced, taking the implied year-end fed funds rate to 4.22%.
- Australian government bond yields moved higher, playing catch-up with gains across global peers on Friday. The 3-year yield rose 4bps, while the 10-year yield gained 2bps. Swap markets price the probability of a September rate hike at around 84%, while a move in November remains fully priced, taking the implied year-end cash rate to 4.75%.
- The US dollar strengthened at the start of the week, with the DXY rising 0.2%. The AUD was broadly unchanged at 0.7119, while the euro and sterling each fell 0.2%. The yen led losses among the major currencies, declining 0.3% as USD/JPY moved back above 157.
- Oil prices continued to retreat on signs Saudi Arabia is increasing exports, while President Trump indicated he would "probably" be open to meeting his Iranian counterpart Masoud Pezeshkian on the sidelines of this week's UN General Assembly in New York. Brent fell 3.6% to US$100/bbl, while WTI declined 4.9% to US$95.4/bbl. Gold fell 0.8%, while copper rose 1.0% and iron ore slipped 0.2%.

Today's key data and events

Time	Event	Exp	Prev
16:00	GB Public Sector Borrowing Aug	£15.5b	£1.8b
0:00	EZ Consumer Confidence Sep Prel.	-16pts	-15.5pts
0:00	US Richmond Fed Manufacturing Sep	2pts	4pts

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.

International Data

The **US Chicago Fed National Activity Index** edged down to -0.04 in August after being revised up from -0.08 to +0.08 in July. These outcomes are all consistent with activity growth around trend.

Chicago Fed President Goolsbee followed the September FOMC hike by highlighting the regularity of supply shocks and the potential need to slow demand to bring inflation to target. Goolsbee also noted that demand may also be supporting inflation, with the FOMC still actively assessing the cause of current inflation. Risks to employment were not seen as a major concern, based on current information.

UK Rightmove house prices rose 0.7% in September, partially reversing a 2.0% decline in August. Prices are down 0.8%yr.

Local Data

The **2026 Intergenerational Report** identified AI-driven productivity gains, population ageing, NDIS reform, evolving taxation dynamics and higher borrowing costs as key themes shaping Australia's long-run fiscal outlook (see here).

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