10 November 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Risk sentiment rebounded at the start of the week, unwinding some of the deterioration seen late last week as tentative signs of diplomatic progress between the US and Iran helped restore a more positive tone.

Share markets bounced across much of the globe, with the S&P 500 and NASDAQ gaining 2.7% and 3.0% respectively, the latter shaking off a 4.6% fall in NVIDIA shares.

Oil prices fell sharply on reports pointing to diplomatic advances between the US and Iran, sending Brent 6.4% lower to US$92.0/bbl.

The US dollar started the week on a softer footing, with the DXY falling 0.6% and giving back Friday's gains, while the Aussie jumped 0.9% to around USD0.6930 to reverse much of its late-week sell-off.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	64.0	0.0%
AUD/USD	0.6927	0.9%
AUD/JPY	109.34	0.5%
AUD/GBP	0.5155	0.2%
AUD/NZD	1.2299	-0.7%
AUD/EUR	0.6173	0.2%
AUD/CNH	4.6201	0.8%
AUD/SGD	0.8857	0.6%
AUD/HKD	5.4323	0.9%
AUD/CAD	0.9780	0.8%
EUR/USD	1.1221	0.7%
USD/JPY	157.83	-0.4%
USD Index	101.66	-0.6%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.86	0.00
90 day BBSY	4.99	0.00
180 day BBSY	5.32	0.00
1 year swap	4.93	0.02
2 year swap	4.79	0.01
3 year swap	4.71	0.01
4 year swap	4.70	0.01
5 year swap	4.72	0.01
6 year swap	4.75	0.01
7 year swap	4.80	0.00
8 year swap	4.84	0.00
9 year swap	4.89	0.00
10 year swap	4.92	0.00

Equities	Close	Change
S&P/ASX 200	9,030	0.1%
S&P 500	7,575	2.7%
Japan Nikkei	58,776	2.3%
Hang Seng	24,449	-0.1%
Euro Stoxx 50	6,290	1.9%
UK FTSE100	10,783	1.0%
VIX Index	19.68	-23.2%

Government Bond Yields	Close	Change
Australia		
3 year bond	4.68	0.01
10 year bond	5.00	0.02
United States		
3-month T Bill	4.03	0.03
2 year bond	4.56	0.04
10 year bond	4.87	0.01
Other (10 year yields)		
Germany	3.26	0.01
Japan	2.67	0.01
UK	5.13	-0.02

Commodities	Current	Change
CRB Index	386.13	-1.0%
Gold	4144.22	1.8%
Copper	13896	0.9%
Oil (WTI futures)	86.18	-5.1%
Coal (coking)	253.00	-0.8%
Coal (thermal)	136.75	-3.1%
Iron Ore	92.85	-0.3%
ACCU	36.13	-4.3%

Sydney Futures Exchange	Current	Change
10 yr bond	5.00	-0.02
3 yr bond	4.67	0.00
3 mth bill rate	4.77	0.00
SPI 200	9,133	1.1%

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

- Share markets continued to rebound from the sharp sell-off late last week across most of the globe, coinciding with a fall in oil prices. In the US, the S&P 500 gained 2.7% while the tech-heavy Nasdaq managed to lift 3.0% despite the 4.6% slide in Nvidia shares following reports of CEO Jensen Huang had an affair with a suspected Chinese spy.
- •Across the pond, the Euro Stoxx 50 (+1.9%) and London's FTSE 100 (+1.0%) both posted solid gains. Asia was somewhat mixed: Tokyo started to bounce-back from the prolonged sell-off last week (+2.3%), Shanghai was broadly flat while Hong Kong edged slightly lower (–0.1%). The ASX 200 inched 0.1% higher, but following the action overnight, futures markets are pointing to a solid open this morning.
- Treasuries received less appetite at the start of the week amid the broader rebound in risk sentiment and lower oil prices, seeing the curve bear steepen as the 2-year yield rose 4bps to 4.56% while the 10-year yield rose 1bp to 4.87%. However, that is not to say that markets have grown any less confident on the prospect of FOMC rate hikes near-term, with 21bps now priced in for December (vs. 19bps prior) and the first fully priced in hike now occurring in January (vs. March prior).
- Yields were little changed elsewhere, with the 10Y Bund and JGB each up 1bp while the 10Y Gilt slipped 2bps. ACGBs sold off during local trading, but those moves were largely given back in futures trading overnight. In any case, market pricing remains consistent with an RBA that has likely finished tightening, with no hikes or cuts pencilled in over the forward profile.
- The USD started the week on a softer footing, the DXY slipping 0.6% to trade around 101.6, effectively unwinding Friday's rally. All G10 currencies rose against the greenback. The Euro and Sterling rose 0.7% and 0.6% overnight respectively, while the Yen rose 0.4%, continuing to trade the fairly tight range that has persisted since early October. The Aussie dollar also jumped 0.9% to around USD0.6930, reversing the sell-off late last week which saw the Aussie fall to its lowest since March.
- Crude oil prices moved sharply lower after numerous reports (many still unconfirmed) that were broadly indicative of diplomatic advances between the US and Iran covering key sticking points like control over the Strait of Hormuz, uranium enrichment and frozen funds. Brent fell 6.4% to US$92.0/bbl. The rebound in risk sentiment buoyed LME copper, which rose 0.9% to US$13,896/mt. Gold meanwhile continued its modest recovery from last week, with prices up 1.4% to around US$4,130/oz.

Today's key data and events

Time	Event	Exp	Prev
10:30	AU WBC-MI Consumer Sentiment Nov	-	80.4pts
10:30	JP Household Spending Sep	-3.0%	-3.1%
10:50	JP Current Account Balance Sep	¥3300b	¥4062b
11:30	AU NAB Business Conditions Oct	-	-1pts
22:00	US NFIB Small Business Optimism Oct	97.9pts	97.9pts
-	CN Trade Balance Oct	US$125.9b	US$133.5b
0:30	US CPI Oct	0.3%	0.6%

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

In the US, the **NY Fed's 1-year inflation expectations** measure was essentially unchanged at 3.91% in October, a higher-than-expected result given expectations were for a slight cooling. The **FOMC's Goolsbee** and **Barkin** spoke overnight with a focus on upside inflation risks, with Goolsbee highlighting particular concerns over services inflation and the inflationary consequences of the rapid buildout of AI infrastructure.

In the Euro Area, November's **Sentix investor confidence** index edged slightly lower from 2.7 to 2.4, well above the historic average and among the strongest readings in the past four years.

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