12 November 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Renewed optimism around AI drove US equities higher overnight, with positive developments around CoreWeave and Anthropic adding to enthusiasm around the sector and helping the S&P 500 and NASDAQ rally.

US cash bond markets were closed for Veterans Day, though futures continued to point to higher Treasury yields following this week's hotter-than-expected inflation data, which has all but cemented a December FOMC hike, with another two increases priced over 2027.

The US dollar received a solid bid alongside renewed strength in AI and tech stocks, lifting the DXY 0.7% to its highest since April 2025, while the Aussie slipped to around USD0.6850.

Australian dwelling finance approvals surprised materially to the downside in Q3, with the value of approvals plunging a record 15.5% as investor lending values dropped by nearly a third.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	63.8	-0.5%
AUD/USD	0.6850	-0.2%
AUD/JPY	109.50	0.5%
AUD/GBP	0.5159	0.3%
AUD/NZD	1.2308	0.5%
AUD/EUR	0.6176	0.4%
AUD/CNH	4.5719	-0.3%
AUD/SGD	0.8801	0.0%
AUD/HKD	5.3741	-0.2%
AUD/CAD	0.9760	0.2%
EUR/USD	1.1093	-0.6%
USD/JPY	159.85	0.7%
USD Index	102.90	0.7%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.86	0.01
90 day BBSY	4.99	0.01
180 day BBSY	5.35	0.03
1 year swap	4.95	0.01
2 year swap	4.82	0.02
3 year swap	4.76	0.02
4 year swap	4.74	0.01
5 year swap	4.76	0.01
6 year swap	4.80	0.01
7 year swap	4.84	0.01
8 year swap	4.88	0.01
9 year swap	4.93	0.01
10 year swap	4.96	0.00

Equities	Close	Change
S&P/ASX 200	9,153	0.3%
S&P 500	7,626	1.4%
Japan Nikkei	61,249	1.3%
Hang Seng	24,316	-1.0%
Euro Stoxx 50	6,393	1.0%
UK FTSE100	10,835	0.8%
VIX Index	17.4	-10.6%

Government Bond Yields	Close	Change
Australia		
3 year bond	4.73	0.07
10 year bond	5.04	0.06
United States		
3-month T Bill	4.11	-0.01
2 year bond	4.74	0.00
10 year bond	4.99	0.00
Other (10 year yields)		
Germany	3.32	0.00
Japan	2.80	0.11
UK	5.22	0.00

Commodities	Current	Change
CRB Index	386.48	0.7%
Gold	3985.69	-1.2%
Copper	13817	1.0%
Oil (WTI futures)	86.31	0.3%
Coal (coking)	253.50	-0.2%
Coal (thermal)	143.40	3.3%
Iron Ore	91.25	-0.4%
ACCU	36.13	-4.3%

Sydney Futures Exchange	Current	Change
10 yr bond	5.05	0.00
3 yr bond	4.73	0.01
3 mth bill rate	4.77	0.00
SPI 200	9,158	-0.4%

Data as at 7:30am AEDT. Change is from the previous trading day (excluding the SFE, which is the change during the night session). Source: Bloomberg.

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Ryan Wells
Economist, Westpac Group
P: +61 401 423 628
E: ryan.wells@westpac.com.au

Financial Markets

- Share markets rallied across much of the globe. In the US, reports of an upgraded outlook for CoreWeave, an oversubscribed IPO for Anthropic and a stabilisation in Nvidia supported renewed optimism around AI which buoyed tech stocks, seeing the S&P 500 (+1.4%) and Nasdaq (+1.7%) both rally, though the smaller gain for the Dow Jones (+0.5%) shows the rally was more narrowly based.
- Across the pond, the Euro Stoxx 50 continued to build on recent momentum with another solid gain (+1.0%), while London's FTSE 100 bounced back from a modest decline yesterday (+0.8%). Stocks were up across most of Asia, including Tokyo (+1.3%), Shanghai (+0.4%) and Seoul (+2.6%), with only the Hang Seng (–1.0%) bucking the wider trend. The ASX 200 rose 0.3% yesterday, but weaker trading in futures overnight points to a mixed open this morning.
- Cash trading in bond markets were closed in the US for Veterans Day, but trading in futures points to a continued rise in yields following hotter-than-expected inflation data received earlier in the week, which all but cemented a December FOMC rate hike. Beyond December, markets are also pricing in another two rate hikes over the course of 2027.
- Yields were little changed elsewhere, with the 10Y Bund and Gilt steady on the day. The 10Y JGB meanwhile continued to sell-off, with yields jumping 10bps to 2.80% having effectively unwound the rally over late last week. ACGBs were also weaker during local trading, seeing yields rise 7bps on the 3Y and 6bps on the 10Y, following the sharp rise in global yields the day prior post US CPI. Swaps markets point to no hikes nor cuts from the RBA through to end-2027 at present.
- The USD received a solid bid overnight, buoyed by sharp inflows into AI and tech stocks that improved risk sentiment. The DXY finished 0.7% higher at around 102.9, the strongest since April 2025. That move has pushed the Euro down 0.6% back to a USD1.10 handle, the weakest since May 2025, while the Yen slipped 0.7% to JPY159.9, the weakest since the before the early-September rally. While moves in the AUD was comparatively small overnight, slipping 0.2% to around the USD0.6850 mark, that move builds on recent downward momentum and has the currency delicately positioned near 2026's lows.
- Oil prices rose slightly overnight, stabilising somewhat after recent declines amid ongoing uncertainty around the future of the US-Iran War, as President Trump downplays the possibility of further strikes on Iran all while negotiations show little progress. Brent rose 1.0% to US$92.4/bbl. The rebound in risk sentiment buoyed metals, with LME copper up 1.0% to US$13,817/mt while LME aluminium jumped 1.9% to US$3,068/mt. Gold prices meanwhile dipped 1.2%, falling back below the US$4,000/oz mark, building on recent momentum post US CPI which saw real yields jump higher

Today's key data and events

Time	Event	Exp	Prev
8:45	NZ Card Spending Oct	-	-0.5%
8:45	NZ Net Migration Sep	-	1530k
18:00	GB GDP Q3 Prel.	0.7%	0.5%
18:00	GB Trade Balance Sep	-£2100b	-£920b
0:30	US Initial Jobless Claims 7/11/2026	195k	189k
2:00	US Existing Home Sales Oct	-3.5%	1.5%

Times are AEDT. 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

There was no major data out yesterday.

Domestic Data

In Australia, the value of **dwelling finance approvals** surprised materially to the downside in Q3, the 15.5% decline marking the largest quarterly decline on records going back to 1991. The decline looks to be mostly volume-driven, with the number of loans falling sharply compared to the average size of loans. Across segments, investor lending values dropped by nearly a third (see here).

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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

IQ
westpaciq.com.au

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