13 November 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Global equities weakened on Thursday, pressured by rising oil prices, surging US Treasury yields, and the sudden ousting of Nvidia CEO Jensen Huang amid reports of multiple affairs, including with an alleged Chinese spy.

US Treasury yields climbed sharply as trading resumed following the Veterans Day holiday, driven by rising oil prices and mounting expectations for further Federal Reserve hikes, with futures markets continuing to fully price a December move.

The US Dollar extended its gains on Fed hike expectations, while the AUD struggled, sliding to its lowest level against the Greenback since January.

Oil prices moved higher overnight after President Trump indicated the US does not need a deal with Iran, whereas gold pushed further below US$4,000/oz on the back of Fed rate hike pressure.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	63.6	-0.3%
AUD/USD	0.6804	-0.6%
AUD/JPY	108.74	-0.6%
AUD/GBP	0.5140	-0.3%
AUD/NZD	1.2270	-0.3%
AUD/EUR	0.6155	-0.3%
AUD/CNH	4.5412	-0.6%
AUD/SGD	0.8758	-0.4%
AUD/HKD	5.3376	-0.6%
AUD/CAD	0.9701	-0.6%
EUR/USD	1.1056	-0.3%
USD/JPY	159.82	0.0%
USD Index	103.19	0.3%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.86	0.00
90 day BBSY	5.00	0.00
180 day BBSY	5.34	-0.01
1 year swap	4.95	0.02
2 year swap	4.83	0.03
3 year swap	4.77	0.03
4 year swap	4.76	0.03
5 year swap	4.78	0.04
6 year swap	4.82	0.04
7 year swap	4.86	0.04
8 year swap	4.91	0.04
9 year swap	4.95	0.04
10 year swap	5.00	0.04

Equities	Close	Change
S&P/ASX 200	9,147	-0.1%
S&P 500	7,599	-0.3%
Japan Nikkei	60,819	-0.7%
Hang Seng	24,009	-1.3%
Euro Stoxx 50	6,399	0.1%
UK FTSE100	10,863	0.3%
VIX Index	18.62	6.5%

Government Bond Yields	Close	Change
Australia		
3 year bond	4.72	-0.01
10 year bond	5.04	-0.01
United States		
3-month T Bill	4.13	0.01
2 year bond	4.86	0.12
10 year bond	5.10	0.11
Other (10 year yields)		
Germany	3.35	0.03
Japan	2.81	0.01
UK	5.30	0.08

Commodities	Current	Change
CRB Index	386.48	0.7%
Gold	3883.21	-2.6%
Copper	13588	-1.7%
Oil (WTI futures)	88.98	2.8%
Coal (coking)	253.00	-0.2%
Coal (thermal)	147.25	2.7%
Iron Ore	90.25	-2.0%
ACCU	36.13	-4.3%

Sydney Futures Exchange	Current	Change
10 yr bond	5.10	0.05
3 yr bond	4.77	0.06
3 mth bill rate	4.97	0.00
SPI 200	9,131	-0.6%

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

- US equities declined amid fragile sentiment, with the company at the heart of the AI trade – Nvidia, paring earlier losses to decline 5.2% at the time of writing, with CEO Jensen Huang fired amid reports of multiple affairs including with an alleged Chinese spy. A gain in oil prices and subsequent rally in Treasury yields furthered weighed on sentiment. The S&P500 declined 0.3%. The NASDAQ fell a sharper 0.5%, while the Dow Jones softened 0.2%. European equities benefited from the turmoil in the US, with traders rotating out of the AI trade. The Euro Stoxx 50 gained 0.1%, as the FTSE 100 posted a rise of 0.3%.
- Asian equities declined amid a broad slide in the tech sector, with Nvidia's suppliers in the region particularly weighed down. The Hang Seng led falls, down 1.3%, with the Nikkei 225 (-0.7%), and KOSPI (-0.6%) also lower. Locally, the ASX200 lost 0.1%, with miners exposed to the AI-trade through copper production the main drag.
- US Treasury yields gained sharply amid a rise in oil prices and continued expectations for Fed tightening, with trading having resumed as markets were closed for Veterans Day. The 2-year yield rose sharply, up 12bps, while the 10-year yield gained 11bps. Futures markets continue to view a December Fed rate hike as all but certain, taking the implied year-end Fed funds rate to 4.17%, with additional hikes fully priced for March and September 2027.
- Australian government bond yields were little changed on Thursday with MI-consumer inflation expectations unchanged in November. Both the 3-year and 10-year yields softened 1bp. Swap markets see little prospect of a near-term move in the cash rate, with the implied year-end rate at 4.86%.
- The US dollar gained further, the DXY up 0.3%% supported by expectations of more Federal Reserve hikes. The AUD fell to its weakest level against the Greenback since January, down 0.6% to 0.6804, further weighed amid weak global sentiment. Both the euro and sterling declined 0.3% against the USD, while the yen initially tested toward the 160 mark before retreating sharply to remain unchanged on the day.
- Oil reversed some recent falls as President Trump posted on social media that the US doesn't need a deal with Iran and instructed Vice President JD Vance to focus on domestic issues. Brent gained 3.6% to US$96.1/bbl, while WTI rose 2.8% to US$89.0/bbl. Dated Brent trades at a discount to the front month futures contract at US$92.6/bbl.
- Gold fell 2.6%, holding below US$4,000/oz on expectation for further Fed rate rises. Copper and aluminium slid 1.7% and 1.2% respectively, caught up in broader weakening sentiment, as iron ore fell 2.0%.

Today's key data and events

Time	Event	Exp	Prev
8:30	NZ Manufacturing PMI Oct	-	56.5pts
21:00	EZ GDP Q3 S	0.4%	0.4%
-	CN Current Account Balance Q3 Prel.	-	US$193.7b
0:30	US PPI Oct	0.4%	1.3%

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

US initial jobless claims edged higher last week to 200k, remaining near its historic lows.

US existing home sales fell 5.5% in October after a downwardly revised 1.0% gain in September. This leaves the level of sales below the cycle lows of 2009 and 2010.

Cleveland Fed President Hammack kept the focus on the need for the FOMC to swiftly return inflation to target and minimise associated risks. Pressures related to the AI buildout were called out. Hammack also expressed confidence in the strength of the labour market.

UK GDP rose 0.7% in Q3 as expected, taking annual growth to 1.9%. Private consumption and government spending both rose at a robust pace, 0.6%, while total business investment disappointed but was still solid at 0.4%. Export and import growth was robust, at 1.6% and 1.8% respectively.

Local Data

In New Zealand, **card spending** was surprisingly weak in October, falling 0.7%mth to record a third consecutive monthly decline (see here).

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