23 November 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

Global equities moved sharply lower as markets continued to rotate out of the AI trade following Anthropic's IPO, with tech-heavy US and Asian markets bearing the brunt of declines.

US Treasuries rallied on safe-haven demand amid equity-market turmoil, while markets pared expectations for a December Fed hike despite recent hawkish rhetoric.

The US dollar was little changed, while risk-off sentiment pushed the AUD lower and safe-haven demand supported the yen.

Oil prices edged higher but ended the week lower overall, while gold and copper extended recent declines amid broader risk aversion and the unwinding AI trade.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	62.1	-0.2%
AUD/USD	0.6619	-0.6%
AUD/JPY	104.93	-1.3%
AUD/GBP	0.5059	-0.6%
AUD/NZD	1.2081	-0.5%
AUD/EUR	0.6035	-0.6%
AUD/CNH	4.4218	-0.8%
AUD/SGD	0.8539	-0.7%
AUD/HKD	5.1896	-0.6%
AUD/CAD	0.9492	-0.6%
EUR/USD	1.0969	0.0%
USD/JPY	158.52	-0.7%
USD Index	103.81	-0.1%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.86	-0.01
90 day BBSY	4.97	-0.02
180 day BBSY	5.27	-0.07
1 year swap	4.79	-0.02
2 year swap	4.61	-0.03
3 year swap	4.54	-0.03
4 year swap	4.54	-0.02
5 year swap	4.57	-0.03
6 year swap	4.62	-0.03
7 year swap	4.67	-0.04
8 year swap	4.73	-0.04
9 year swap	4.78	-0.04
10 year swap	4.83	-0.04

Equities	Close	Change
S&P/ASX 200	8,593	-1.6%
S&P 500	6,910	-3.7%
Japan Nikkei	56,437	-5.1%
Hang Seng	22,411	-1.9%
Euro Stoxx 50	5,942	-2.8%
UK FTSE100	10,346	-1.0%
VIX Index	35.89	26.2%

Government Bond Yields	Close	Change
Australia		
3 year bond	4.56	-0.01
10 year bond	4.95	-0.02
United States		
3-month T Bill	4.13	-0.02
2 year bond	4.65	-0.11
10 year bond	4.94	-0.10
Other (10 year yields)		
Germany	3.30	-0.10
Japan	2.80	-0.04
UK	5.24	-0.08

Commodities	Current	Change
CRB Index	369.76	-0.5%
Gold	3538.49	-2.4%
Copper	12160	-2.9%
Oil (WTI futures)	83.41	1.2%
Coal (coking)	250.50	0.0%
Coal (thermal)	147.25	1.3%
Iron Ore	88.30	0.1%
ACCU	36.13	-4.3%

Sydney Futures Exchange	Current	Change
10 yr bond	4.91	-0.05
3 yr bond	4.51	-0.05
3 mth bill rate	4.91	-0.01
SPI 200	8,556	-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 continued to slide into the weekend as the AI trade unravelled further following Anthropic's IPO, with shares in the firm falling back towards their initial listing price before staging a partial rebound. The S&P 500 declined 3.7%, taking its weekly loss to 8.6%, while the Dow Jones fell 1.9%. The NASDAQ dropped a sharper 5.3%, unwinding all of its year-to-date gains. European equities were not immune from the global sell-off, with the Euro Stoxx 50 down 2.8% and the FTSE 100 falling 1.0%.
- Asian equities also moved sharply lower as markets continued to rotate out of the AI trade following Anthropic's IPO. The KOSPI led declines, falling 5.2%, while the Nikkei 225 lost 5.1% and the Hang Seng declined 1.9%. Locally, the ASX 200 fell 1.6%, recording its weakest weekly performance in more than four years with a 5.4% decline. Mining stocks weighed heavily as traders unwound AI-proxy commodity trades.
- US Treasuries rallied strongly on safe-haven demand amid the equity-market turmoil. The 2-year yield fell 11bps, while the 10-year yield declined 10bps. Futures markets pared expectations for a December rate hike despite recent Fed rhetoric, taking the implied year-end fed funds rate to 4.11%. Markets continue to fully price hikes in January and March 2027.
- Australian government bond yields were little changed to end the week, with the 3-year yield down 1bp and the 10-year yield falling 2bps. Swap markets continue to view the RBA's hiking cycle as complete following weaker-than-expected labour force data, with a rate cut fully priced by August 2027.
- The US dollar was little changed, with the DXY down 0.1%. The AUD fell 0.6% to 0.6619 amid broader risk-off sentiment, taking its weekly decline against the greenback to 2.1%. The euro and sterling were broadly unchanged, while the yen gained 0.7% on safe-haven demand.
- Oil prices rose, with Brent gaining 0.6% to US$92.6/bbl, although it ended the week 3.4% lower overall. WTI rose 1.2% to US$83.4/bbl. Other commodities continued along recent trends, with gold falling 2.4% to just above US$3,500/oz, taking its weekly decline to 5.2%. Copper also faced heavy selling amid broader risk aversion, falling 2.9% to remain just above US$12,000/t. Aluminium declined 1.6%, while iron ore was little changed, gaining 0.1%.

Today's key data and events

Time	Event	Exp	Prev
8:45	NZ Real Retail Sales Q3	0.5%	-0.5%
20:00	EZ S&P Global Mfg. PMI Nov Prel.	52.7pts	52.7pts
20:00	EZ S&P Global Services PMI Nov Prel.	51.8pts	51.4pts
20:30	GB S&P Manufacturing PMI Nov Prel.	53pts	52.8pts
20:30	GB S&P Services PMI Nov Prel.	53pts	52.8pts
0:30	US Chicago Fed Activity Index Oct	0.2pts	0.1pts
1:45	US S&P Manufacturing PMI Nov Prel.	54.4pts	54.9pts
1:45	US S&P Services PMI Nov Prel.	55.5pts	56.1pts

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 University of Michigan consumer sentiment improved from 51.0 to 51.5 in the final estimate for November. Current economic conditions deteriorated, but a 2pt improvement in expectations to 52.9 more than offset. 1-year inflation expectations improved from 4.3% in the initial estimate to 3.7%, while the 5-year view edged down from 3.4% to 3.3%.

Euro Area consumer confidence rose from -17.9 to -16.9 in the November preliminary update. The current level is broadly in line with the average of the past 5 years (-15.5), but below the full-history average (-9.6).

UK GfK consumer confidence lifted from -24 to -22 in November, in line with the average of the past 5 years but below the full-history level, -11.

UK retail sales beat expectations in October, rising 0.7% in the month; but the gain was partly offset by a small downward revision to September, now -0.6% (previously -0.4%). Excluding auto fuel, sales rose 0.9% in October, reversing September's decline and leaving core retails sales 2.5% higher over the year.

Local Data

The **Westpac Nowcast** points to GDP growth of around 0.5%qtr in Q3 2026, with the flow of data pointing to a clear loss of momentum as the quarter progressed (see here).

The **Westpac–DataX Card Tracker** Index declined a net 0.9pts to 160 over the latest week. While quarterly growth remains relatively firm, the underlying detail is less convincing (see here).

We also released our November **Commodities Update** (see here).

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