27 November 2026

MORNING REPORT

Today's economic developments and market movements.

Key themes

US markets were closed for Thanksgiving, leaving global markets to trade largely off the late recovery on Wall Street in Wednesday's session. Both European and Asian equities closed higher.

Bond markets were relatively steady, although the UK front end underperformed, with the 2-year gilt yield up 7bps. The run of stronger-than-expected Australian data continued with Q3 capex, though it did little to shift ACGB yields or RBA pricing.

Currency moves were modest amid thinner trading conditions, with the DXY and AUD/USD both up 0.1%, while the AUD gained 0.4% against the NZD.

Commodities saw larger moves. Brent rose 2.1% following Houthi attacks on Saudi infrastructure, while OPEC+ is reportedly considering extending current output quotas into January. Copper rebounded from an 11-month low as the AI trade stabilised, meanwhile gold fell 0.6%, and is approaching a 15-month low.

Data snapshot

FX Last 24 hrs	Current	Change
TWI	61.9	0.7%
AUD/USD	0.6634	0.1%
AUD/JPY	105.65	0.1%
AUD/GBP	0.5061	0.1%
AUD/NZD	1.2123	0.4%
AUD/EUR	0.6046	0.1%
AUD/CNH	4.4189	0.0%
AUD/SGD	0.8560	0.1%
AUD/HKD	5.1985	0.0%
AUD/CAD	0.9449	0.3%
EUR/USD	1.0972	0.0%
USD/JPY	159.26	0.1%
USD Index	103.77	0.1%

AUS Interest Rate Swaps	Last	Change
30 day BBSY	4.86	0.00
90 day BBSY	4.97	0.00
180 day BBSY	5.26	0.01
1 year swap	4.79	0.00
2 year swap	4.57	0.01
3 year swap	4.47	0.01
4 year swap	4.46	0.01
5 year swap	4.48	0.01
6 year swap	4.52	0.00
7 year swap	4.57	0.00
8 year swap	4.62	0.00
9 year swap	4.67	0.00
10 year swap	4.72	0.00

Equities	Close	Change
S&P/ASX 200	8,764	0.8%
S&P 500	7,183	-0.3%
Japan Nikkei	57,499	0.9%
Hang Seng	22,227	1.2%
Euro Stoxx 50	6,015	2.0%
UK FTSE100	10,609	1.7%
VIX Index	26.8	-5.3%

Commodities	Current	Change
CRB Index	368.50	0.5%
Gold	3566.75	-0.6%
Copper	11872	1.9%
Oil (WTI futures)	84.91	1.5%
Coal (coking)	251.50	0.8%
Coal (thermal)	151.50	0.9%
Iron Ore	87.85	1.1%
ACCU	36.13	-4.3%

Government Bond Yields	Close	Change
Australia		
3 year bond	4.48	0.01
10 year bond	4.82	0.00
United States		
3-month T Bill	4.15	-0.01
2 year bond	4.64	0.00
10 year bond	4.85	0.00
Other (10 year yields)		
Germany	3.25	0.02
Japan	2.63	-0.01
UK	5.15	0.02

Sydney Futures Exchange	Current	Change
10 yr bond	4.81	-0.01
3 yr bond	4.47	0.00
3 mth bill rate	4.94	0.01
SPI 200	8,791	0.1%

Data as at 7:00am 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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Neha Sharma
Economist, Westpac Group
P: +61 422 030 322
E: neha.sharma1@westpac.com.au

Financial Markets

- US markets were closed for the Thanksgiving public holiday. European equities rebounded on Thursday following two consecutive sessions of losses. The Euro Stoxx 50 rose 2.0%, while the FTSE 100 gained 1.8%, its strongest advance in more than three weeks.
- Asian equities closed higher following a late recovery on Wall Street on Wednesday, though gains were pared after reports that Nvidia had told AI hardware manufacturers to halt server shipments to Southeast Asia. The Nikkei 225 gained 0.9%, while the Kospi rose 0.3%, supported by a significant upgrade to the Bank of Korea's 2027 growth outlook, as the central bank delivered on its widely expected 25bp rate hike. The Hang Seng outperformed with a 1.2% gain, while the CSI 300 was little changed, up 0.1%. The ASX 200 rose 0.8%, led by gains in mining and energy stocks, after fresh US tariff proposals spared Australia.
- European yields were broadly steady, although moves were more pronounced at the UK front end, with the 2-year gilt yield rising 7bps compared with a 2bp increase in the 10-year, while the 10-year Bund yield was also up 2bps.
- ACGB yields were broadly unchanged, with the 3-year down 1bp at 4.48% and the 10-year steady at 4.82%. Stronger-than-expected Q3 capex data did little to shift RBA pricing, with the first rate cut still priced by August.
- Currency moves were modest. The USD was little changed, with the DXY gaining 0.1% to 103.77. AUD/USD was also broadly steady, up 0.1% at 0.6634. Elsewhere, EUR/USD was unchanged at 1.0972, while USD/JPY rose 0.1% to 159.26. The AUD gained 0.4% against the NZD.
- In oil markets, Houthi rebels attacked Saudi Arabia's Jazan refinery and Red Sea ports, with the Saudi-led coalition subsequently announcing it had destroyed the ballistic missile launch platform used in the attack. OPEC+ is reportedly considering extending current output quotas into January amid uncertainty surrounding the Iran war, ahead of an online meeting on Sunday. Brent futures rose 2.1% to US$96.6/bbl. Copper rebounded 1.9% from an 11-month low, supported by a stabilisation in the AI trade, while aluminium gained 2.1%. Gold futures fell 0.6% to US$3,570/oz, approaching a 15-month low as markets continued to price a more hawkish Fed outlook.

International Data

Spain's Pablo Hernandez de Cos has been announced as Christine Lagarde's successor as ECB President after a summit in Brussels. The European Parliament and ECB Governing Council will formally give their support for the decision in coming months. Pablo Hernandez de Cos previously served on the ECB's Governing Council while head of Spain's central bank between 2018 and 2024.

October's **ECB meeting minutes**, where the stance of policy was maintained, showed members largely agreed the inflation outlook had deteriorated, and that "further tightening was likely necessary" unless the inflation outlook improved significantly.

Today's key data and events

Time	Event	Exp	Prev
10:30	JP Tokyo Nov	3.1%	2.8%
12:30	CN Industrial Profits Oct	-	14.4%
21:00	EZ Economic Confidence Nov	97.2pts	96.9pts
21:00	EZ Consumer Confidence Nov Final	-16.9pts	-16.9pts
0:30	US Wholesale Inventories Oct Prel.	0.5%	0.7%

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.

Domestic Data

Private capex surprised to the upside, rising 12.2%qtr in the September quarter of 2026. Following a sizeable 1.6ppt upward revision to the June quarter result, annual growth accelerated to 18.6%yr. This rise was primarily driven by strength in machinery and equipment, which posted its strongest quarterly increase on record, up 23.1%qtr and 34.3%yr (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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