Weekly economic report

27 July 2026

The week that was

- The renewed escalation in the Iran war, including the broadening of the conflict to the Red Sea and the continued closure of the Strait of Hormuz, saw oil prices rise further. Although prices increased to over US$100 per barrel, they ended the week at US$97 per barrel.
- Global bond yields rose again in response to the rise in oil prices, which triggered renewed concerns about inflationary pressures. US 10-year bond yields rose by 13bps, continuing their gradual trend higher since the war broke out.
- Stronger-than-expected Australian job growth in June added further upward pressure to local bond yields, with 10-year yields increasing by 19bps last week. The unemployment rate held steady at 4.4% but has slowly crept higher over the past few years.
- Many equity markets across Europe and Asia rose despite the escalating conflict. However, the US S&P500 and Australia's ASX200 ended the week 0.6% and 0.3% lower. The US market was weighed down by falls in some large technology stocks – particularly Alphabet and Tesla – after their Q2 earnings reports raised some concerns for investors.
- The European Central Bank left its policy rate unchanged, though investors expect it to raise its policy rate in September.

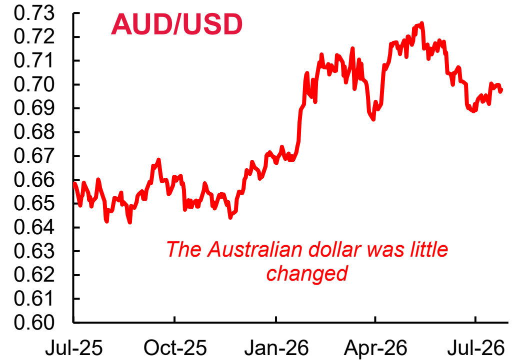
Economic calendar

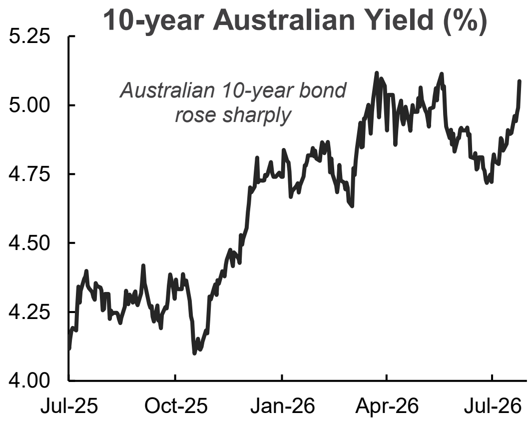
Monday 27/07	
Tuesday 28/07	AU: RBA Governor speech
Wednesday 29/07	AU: CPI, Q2 US: Federal Reserve policy decision
Thursday 30/07	US: Core PCE deflator, Jun; GDP, Q2 EC: GDP, Q2 UK: Bank of England policy decision
Friday 31/07	JP: Bank of Japan policy decision EC: CPI, Jul

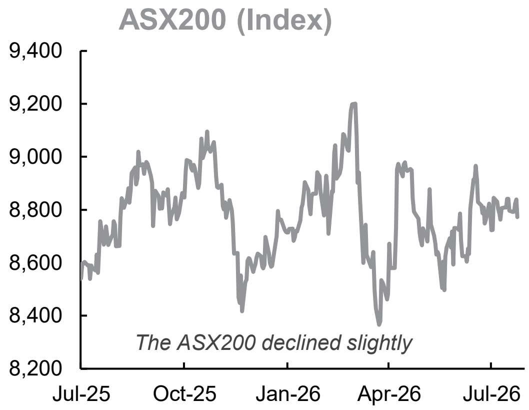
The week ahead

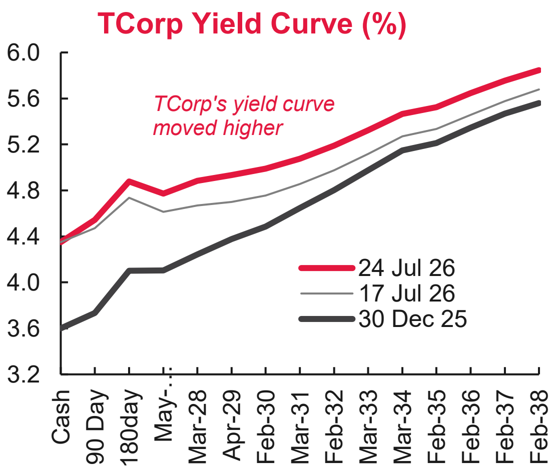
- The focus locally will be on the June quarter inflation data, where underlying inflation is expected to tick up to 3.7%. The Reserve Bank of Australia's (RBA) Chief Economist might reveal the RBA's reaction to the data in her public appearance on Thursday.
- Central banks in the US, UK and Japan are expected to keep rates steady, though investors will focus on the accompanying commentary. Inflation and GDP data in the US and Europe will be in focus, as well as earnings reports by Meta, Microsoft and Apple.

Financial markets charts









Financial markets data: Week ending 24 July 2026

Interest Rates	**Close (%)**	**1 Week (bps)**		**YTD (bps)**	
RBA Cash Rate	4.35	0	–	75	▲
90-day BBSW	4.54	7	▲	81	▲
3-year Australian Bond Yield	4.72	23	▲	58	▲
10-year Australian Bond Yield	5.09	19	▲	35	▲
20-year Australian Bond Yield	5.48	14	▲	30	▲
10-year Australian Break-Even Inflation	2.39	5	▲	8	▲
10-year Australian Real Yield	2.70	14	▲	27	▲
Fed Funds Rate (lower bound)	3.50	0	–	0	–
2-year US Treasury Yield	4.33	15	▲	86	▲
10-year US Treasury Yield	4.68	13	▲	51	▲
30-year US Treasury Yield	5.16	9	▲	31	▲
10-year German Bund Yield	3.17	5	▲	32	▲
NSW TCorp Bonds					
3.00% 20 May 2027	4.77	16	▲	67	▲
3.00% 20 March 2028	4.88	21	▲	63	▲
3.00% 20 April 2029	4.93	24	▲	55	▲
3.00% 20 February 2030	4.99	23	▲	50	▲
2.00% 20 March 2031	5.08	22	▲	43	▲
1.50% 20 February 2032	5.19	21	▲	39	▲
2.5% 22 November 2032	5.29	21	▲	38	▲
2.00% 8 March 2033	5.32	20	▲	35	▲
1.75% 20 March 2034	5.47	20	▲	33	▲
5.25% 17 October 2034	5.49	19	▲	--	--
4.75% 20 February 2035	5.52	19	▲	32	▲
4.75% 20 September 2035	5.61	19	▲	34	▲
4.25% 20 February 2036	5.65	19	▲	31	▲
4.75% 20 February 2037	5.76	18	▲	29	▲
3.50% 20 November 2037	5.84	18	▲	30	▲
5.25% 24 February 2038	5.85	17	▲	29	▲
5.25% 22 February 2039	5.93	16	▲	28	▲
2.50% 20 November 2035 CIB	3.07	9	▲	-3	▼
10-year NSW TCorp Bond Yield	5.66	18	▲	37	▲
10-year TCV (Victoria) Spread	0.05	1	▲	-2	▼
10-year QTC (Queensland) Spread	0.03	0	▲	-4	▼
Equities	**Close**	**1 Week**		**YTD**	
S&P/ASX200 (Australia)	8,772	-0.3%	▼	0.7%	▲
S&P500 (US)	7,412	-0.6%	▼	8.3%	▲
FTSE 100 (UK)	10,736	1.3%	▲	8.1%	▲
DJ Stoxx600 (Europe)	645	0.5%	▲	8.8%	▲
Nikkei 225 (Japan)	64,611	0.7%	▲	28.4%	▲
Shanghai Composite (China)	3,814	1.3%	▲	-3.9%	▼
Currencies	**Close**	**1 Week**		**YTD**	
AUD/USD	0.698	-0.1%	▼	4.6%	▲
EUR/USD	1.137	-0.6%	▼	-3.2%	▼
USD/JPY	163.83	0.9%	▲	4.5%	▲
GBP/USD	1.33	-0.9%	▼	-1.1%	▼
US$ Index	101.47	0.7%	▲	3.2%	▲
Commodities	**Close**	**1 Week**		**YTD**	
Brent Oil (US$/bbl)	96.78	9.9%	▲	59.0%	▲
Iron Ore (US$/t)	98.25	-1.1%	▼	-8.3%	▼
Coking Coal (US$/t)	189.22	2.2%	▲	26.4%	▲
Gold (US$/oz)	4,052.79	0.9%	▲	-6.2%	▼

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