Weekly economic report

7 September 2026

The week that was

- Middle East tensions saw oil prices rise by 8%, to US$96 per barrel. This put upward pressure on global bond yields, with US 10-year yields rising by 6bps and Australian 10-year yields 8bps higher.
- Data continues to point to a resilient US economy, including stronger-than-expected employment growth in August. The stronger data and recent hawkish comments by the Chair of the US Federal Reserve (Fed) have led investors to think that a rate rise is likely this month.
- Most equity markets fell, including the ASX200 which declined by 1%. Reversing the pattern in August, mining stocks declined and banking stocks rose, despite the ongoing housing market slowdown.
- The US S&P500 was little changed, supported by gains in technology stocks, with falls in sectors that are most sensitive to higher interest rates.
- The Australian economy grew by 0.4% in the June quarter. Strong housing construction supported growth, but consumer spending (outside of spending on electric vehicles) was weak. Although the economy is growing, it has been stagnant on a per capita basis for the past 4 years. Consumer spending is likely to remain sluggish amid the housing market slowdown, higher interest rates and increased global uncertainty.
- The Australian dollar appreciated, reaching 72 US cents – slightly below its recent peak in May.

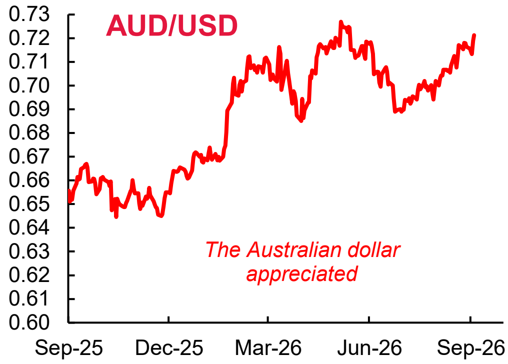
Economic calendar

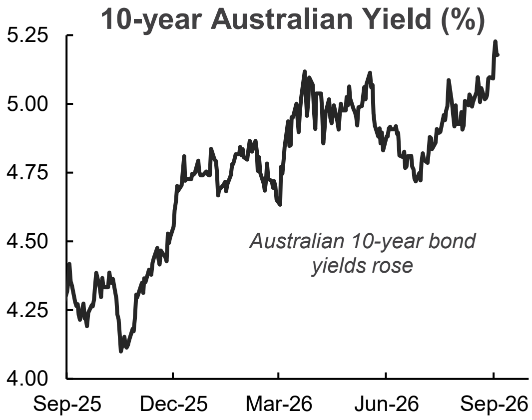
Monday 07/09	
Tuesday 08/09	AU: Consumer sentiment, Sep; NAB Business survey, Aug
Wednesday 09/09	US: Producer price inflation, Aug
Thursday 10/09	EC: ECB policy decision
Friday 11/09	US: Consumer price inflation, Aug

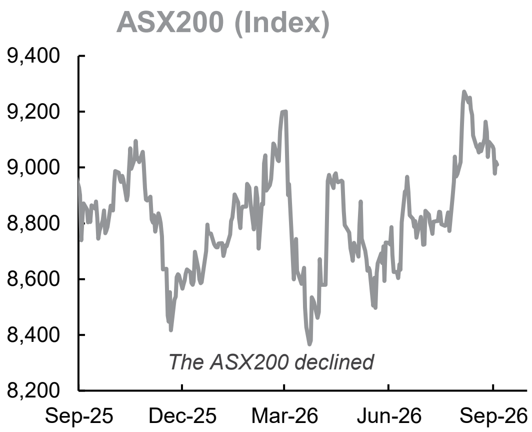
The week ahead

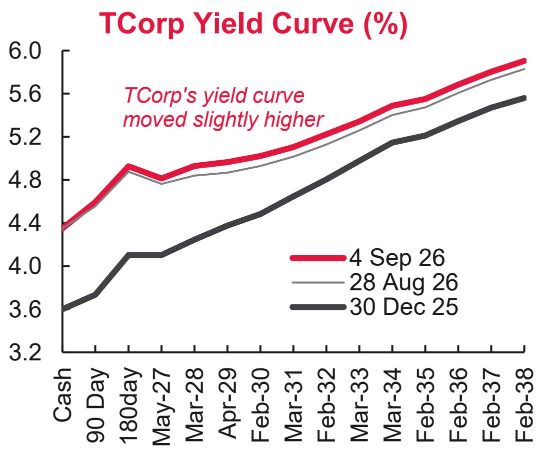
- US inflation data is the key release. Comments last week by influential US Fed members indicated that this data print will be important in making or breaking the case for a September rate hike.
- The European Central Bank is expected to raise rates to battle high inflation.
- Locally, we will receive updates on consumer and business sentiment.

Financial markets charts









Financial markets data: Week ending 4 September 2026

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	4.35	0	–	75	▲
90-day BBSW	4.59	4	▲	86	▲
3-year Australian Bond Yield	4.75	9	▲	61	▲
10-year Australian Bond Yield	5.17	8	▲	43	▲
20-year Australian Bond Yield	5.57	6	▲	39	▲
10-year Australian Break-Even Inflation	2.38	3	▲	7	▲
10-year Australian Real Yield	2.80	4	▲	36	▲
Fed Funds Rate (lower bound)	3.50	0	–	0	–
2-year US Treasury Yield	4.37	2	▲	89	▲
10-year US Treasury Yield	4.78	6	▲	62	▲
30-year US Treasury Yield	5.24	4	▲	40	▲
10-year German Bund Yield	3.34	6	▲	48	▲
NSW TCorp Bonds					
3.00% 20 May 2027	4.81	4	▲	70	▲
3.00% 20 March 2028	4.92	8	▲	67	▲
3.00% 20 April 2029	4.96	9	▲	58	▲
3.00% 20 February 2030	5.01	9	▲	53	▲
2.00% 20 March 2031	5.10	8	▲	45	▲
1.50% 20 February 2032	5.22	9	▲	42	▲
2.5% 22 November 2032	5.31	9	▲	41	▲
2.00% 8 March 2033	5.34	8	▲	37	▲
1.75% 20 March 2034	5.48	8	▲	34	▲
5.25% 17 October 2034	5.50	8	▲	--	--
4.75% 20 February 2035	5.55	8	▲	35	▲
4.75% 20 September 2035	5.63	7	▲	35	▲
4.25% 20 February 2036	5.68	7	▲	34	▲
4.75% 20 February 2037	5.72	7	▲	--	▲
3.50% 20 November 2037	5.80	7	▲	33	▲
5.25% 24 February 2038	5.89	7	▲	35	▲
5.25% 22 February 2039	5.90	7	▲	34	▲
2.50% 20 November 2035 CIB	5.99	7	▲	33	▲
10-year NSW TCorp Bond Yield	5.70	7	▲	40	▲
10-year TCV (Victoria) Spread	0.03	0	▼	-4	▼
10-year QTC (Queensland) Spread	0.03	-1	▼	-4	▼

Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	9,006	-1.0%	▼	3.3%	▲
S&P500 (US)	7,719	0.1%	▲	12.8%	▲
FTSE 100 (UK)	10,831	0.1%	▲	9.1%	▲
DJ Stoxx600 (Europe)	650	-0.8%	▼	9.7%	▲
Nikkei 225 (Japan)	65,021	-2.1%	▼	29.2%	▲
Shanghai Composite (China)	3,930	-0.6%	▼	-1.0%	▼

Currencies	Close	1 Week		YTD	
AUD/USD	0.720	0.5%	▲	7.8%	▲
EUR/USD	1.161	0.3%	▲	-1.1%	▼
USD/JPY	156.26	-2.4%	▼	-0.3%	▼
GBP/USD	1.35	-0.1%	▼	0.6%	▲
US$ Index	99.18	-0.5%	▼	0.9%	▲

Commodities	Close	1 Week		YTD	
Brent Oil (US$/bbl)	96.28	7.8%	▲	58.2%	▲
Iron Ore (US$/t)	99.65	3.8%	▲	-7.0%	▼
Coking Coal (US$/t)	248.24	-3.2%	▼	65.9%	▲
Gold (US$/oz)	4,429.98	-0.6%	▼	2.6%	▲

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