INFINITY

# Weekly Market Report

3 August 2026

| Brent Crude w/w | Gold (US$/oz) w/w | ASX 200 w/w | MSCI World w/w | AUD/USD |
|---|---|---|---|---|
| −1.8% | −0.3% | +0.9% | +0.7% | 70.46 +0.8% |

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## Market overview

Financial markets continued to oscillate with the on/off nature of the Middle East (ME) conflict. At this point, the US has indicated that Iran is working with Oman on a peace deal and the reopening of the Strait of Hormuz (SoH). But like so many prior announcements there is currently little evidence of a broader breakthrough in ending the hostilities. Over the week, the US FOMC kept the Fed Funds rate on hold (at 3.75%). This was despite core PCE inflation remaining above the Fed's 2.0% target level with few signs of abating near term.

## Bond markets and Fed commentary

Bond markets were also concerned about comments coming from Fed Chair Warsh regarding policy announcements post each FOMC meeting, alongside the potential decision to reduce the number of meetings. This would only add to market uncertainty in our view. Unsurprisingly, the selloff in bond markets through the back end of the week saw 30Yr Treasuries reach their highest level in over 15yrs. The steepening of the US yield curve has the potential to further impact risk markets in addition to the ongoing geopolitical turmoil.

## Japan and global FX

We also saw the US and Japan 'team' up to reduce the selling pressure on the JPY, which hit 160 to the US$ over the week. Yen weakness is further adding to trade challenges between the US and Japan, while further exacerbating Japanese inflationary pressures, with interest rate differentials between the US and Japan at their widest since April.

## What to watch this week

The focus of US macro data in the coming week will be on the non-farm payroll data for July which is expected to rebound to 83k after the disappointing numbers in June. The unemployment rate is expected to remain unchanged at 4.20%. ISM, trade figures, factory orders and JOLTS job openings will also be reported. Domestically, we have PMI data as well as household spending. With house prices continuing to fall and energy price rising, household spending will be closely watched by both the RBA and markets as a signal on the consumption outlook.

## Asset class returns

| | 1 wk | 1 mth | 3 mths | 6 mths | 1 yr p.a. |
|---|---|---|---|---|---|
| Aust Eq (lge) S&P/ASX 200 (Accum) | +0.9% | +1.5% | +3.4% | +3.0% | +7.0% |
| Aust Eq (sml) S&P/ASX Sml Ords (Accum) | −0.4% | −3.6% | −4.5% | −11.8% | +2.4% |
| Aust Industrials S&P/ASX 200 Industrials (Accum) | +1.2% | +2.7% | +5.3% | +2.2% | −2.6% |
| Aust Resources S&P/ASX 200 Resources (Accum) | +0.2% | −1.5% | −1.4% | +5.1% | +45.2% |
| Global Eq (unh) MSCI AC World (unh) Accum | +0.7% | −1.5% | +6.6% | +7.2% | +12.4% |
| Global Eq (hdg) MSCI AC World (hdg) Accum | +0.7% | −0.6% | +4.9% | +8.8% | +24.2% |
| Global Eq (sml unh) MSCI World SMID Cap Index | −0.1% | −1.9% | +1.5% | +5.1% | +19.3% |
| Global Eq (EM unh) MSCI Emerging Markets (unh) Accum | +1.0% | −4.3% | +7.6% | +9.6% | +27.3% |
| AREITs S&P/ASX 200 AREIT (Accum) | +1.6% | +0.4% | +3.6% | −3.3% | −4.4% |
| GREITs EPRA NAREIT (ex-Aust) hdg (Accum) | −1.9% | +0.9% | +3.8% | +10.4% | +19.5% |
| Global Infra (A$ hdg) S&P Gbl Infrastructure A$ (Hdg) TR | −0.7% | −1.3% | +0.6% | +5.6% | +15.7% |
| Global Infra (A$ unhdg) S&P Gbl Infrastructure A$ TR | −0.6% | −2.1% | +1.7% | +3.9% | +6.3% |
| Aust Fixed Income BBerg AusBond Composite (0+yrs) | +0.5% | −0.2% | +1.9% | +1.8% | +1.3% |
| Global Fixed Income Bar Cap Global Agg Index (AUD hdg) | −0.2% | −0.7% | +0.1% | +0.1% | +1.8% |
| Aust Cash BBerg Aust Bond Bank Bill Index | +0.1% | +0.3% | +1.1% | +2.0% | +3.9% |

Source: Bloomberg, Infinity.

## S&P/ASX sectors

| | 1 wk | 1 mth | 3 mths | 6 mths | 1 yr |
|---|---|---|---|---|---|
| Energy | +3.2% | +12.6% | −3.8% | +15.9% | +16.4% |
| Materials | −0.4% | −3.6% | +0.1% | +1.4% | +40.8% |
| Industrials | 0.0% | −1.5% | +3.1% | −0.6% | −1.1% |
| Consumer Disc | +3.4% | +2.9% | +17.4% | +1.0% | −5.1% |
| Consumer Staples | +1.4% | +1.6% | +9.7% | +12.7% | +10.7% |
| Healthcare | +4.2% | −1.4% | +5.0% | −21.5% | −40.1% |
| Financials | +0.4% | +5.3% | +3.8% | +6.9% | +6.1% |
| AREITs | +1.6% | +0.4% | +2.4% | −5.0% | −7.4% |
| IT | +3.8% | −0.9% | −0.3% | −10.4% | −40.5% |
| Comm Services | +2.7% | +2.3% | −5.5% | −4.7% | −12.3% |
| Utilities | −0.1% | +2.8% | −8.7% | −0.3% | −0.9% |
| Banks | +0.9% | +6.9% | +2.3% | +4.8% | +7.2% |

## Currencies

| Pair | Rate | 1 wk |
|---|---|---|
| AUD/USD | 70.46 | +0.8% |
| AUD/GBP | 52.21 | −0.8% |
| AUD/EUR | 61.01 | −0.8% |
| AUD/JPY | 110.7710 | −3.2% |
| GBP/USD | 1.3496 | +1.6% |
| EUR/USD | 115.49 | +1.6% |
| USD/JPY | 157.2200 | −4.0% |
| Aust TWI | 65.5000 | −0.2% |

## Bond markets — yields & weekly change

| | 2yr % | 3yr % | 5yr % | 10yr % |
|---|---|---|---|---|
| Australia | 4.52 −11bp | 4.49 −12bp | 4.55 −11bp | 4.93 −7bp |
| United States | 4.29 −3bp | 4.35 0bp | 4.45 +4bp | 4.73 +9bp |
| United Kingdom | 4.40 +2bp | 4.51 +3bp | 4.60 +3bp | 5.05 +5bp |
| Japan | 1.50 −1bp | 1.73 +1bp | 2.04 +1bp | 2.81 +2bp |
| Europe | 2.82 +3bp | 2.84 +4bp | 2.94 +5bp | 3.21 +7bp |

## Commodities

| | 1 wk | 1 mth | 3 mths |
|---|---|---|---|
| Barclays Cmdty (TR US$) | +0.2% | +7.6% | −5.0% |
| Gold (US$/oz) | −0.3% | −2.7% | −11.9% |
| Crude Oil (Brent) | −1.8% | +16.6% | −9.2% |
| Copper | +0.5% | +3.9% | +7.1% |
| Iron Ore (Qingdao 62%) | −3.8% | −3.4% | −10.9% |