yieldreport Daily

Your Income Advantage

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Overview of the US Market

Bullish sentiment lifted stocks as tech and utilities sectors rallied, supported by the "One Big Beautiful Bill" (OBBBA) and a stable tariff deadline extension to August 1. Treasury yields dipped slightly, and the dollar held firm. Oil prices remained steady amid muted Middle East tensions.

The S&P 500 rose 0.61% to 6,263.26, and the Nasdaq Composite climbed 0.94% to 20,611.34, nearing record highs. West Texas Intermediate crude held at $67.50 a barrel, reflecting balanced energy dynamics. In after-hours trading, ProKidney Corp. surged, hinting at speculative interest.

Tech stocks shone, with NVIDIA gaining 1.80% on high volume, bolstered by the OBBBA's tax incentives. Utilities rose 1.00%, driven by renewed energy policy optimism. Consumer staples lagged, down 0.55%, amid defensive selling. The OBBBA's $3.3 trillion stimulus, including tax cut extensions, fuelled the rally, though tariff uncertainties persist with the August 1 deadline.

Middle East tensions have eased, with the Israel-Iran ceasefire holding, reducing geopolitical risks. Market expectations price two rate cuts by year-end, with September favoured, as fiscal stimulus and trade developments shape sentiment. Tomorrow's market reaction to the tariff extension could set the tone.

Overview of the Australian Market

The ASX 200 closed 0.61% lower at 8,538.6, marking its largest one-day drop in nine weeks, driven by weakness in materials and real estate amid global trade concerns. The late session saw broad declines, with market breadth weak as 127 constituents finished flat or lower.

Materials fell 1.31%, pressured by copper names like Sandfire Resources (-3.5%) and gold miners such as Pantoro (-10.1%). Real estate dropped 1.65%, down 2.1% over two days, reflecting rate sensitivity. Pantera Lithium doubled after a $40m asset sale, while Lifestyle Communities plunged 37.2% due to a VCAT ruling. The OBBBA's global impact offered some offset, but local pressures dominated.

The RBA's recent hold at 3.85% continues to influence rate-sensitive sectors, with investors eyeing future cuts. The ASX 200's resilience near 8,500 hinges on tomorrow's trade and commodity responses.

Overview of the US Bond Market

The yield on the benchmark 10-year Treasury note settled at 4.33%, down 1 basis point daily. The 30-year yield held at 4.87%, unchanged daily, as markets digested the OBBBA's fiscal impact.

The 2-year yield dipped to 3.84%, down 1 basis point, while the 5-year yield fell to 3.91%, down 1 basis point. The yield curve flattened slightly, reflecting cautious optimism amid fiscal stimulus. Market expectations price two Fed cuts by year-end, favouring September, as the August 1 tariff deadline looms.

Treasury Secretary Scott Bessent's proposal to ease bank capital rules, encouraging Treasury purchases, supported stability. Tomorrow's market focus will likely to shift to trade outcomes.

Overview of the Australian Bond Market

Australian government bond yields rose modestly, with the 10-year yield up 2 basis points to 4.28%, and the 15-year up 2 basis points to 4.62%, reacting to the RBA's steady 3.85% rate.

The 2-year yield increased 1 basis point to 3.37%, reflecting short-term adjustments. The RBA's hold, defying earlier cut expectations, drove the yield uptick. Markets still price four cuts (100 basis points) by mid-2026, though the timeline may shift.

Global yields were stable, with attention on the OBBBA's fiscal boost and the August 1 tariff deadline. The AUD/USD rose 0.07% to 0.6535, supported by commodity resilience.

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