

The week that was

- Investors endured a week of volatile conditions in global financial markets. Europe's recovery appears to have stalled amid delays in rolling out COVID-19 vaccines, China's central bank warned against asset price bubbles creating problems if monetary policy support is maintained for too long, and small retail investors co-ordinating their trading via social media platforms sparked a sell-off in US equity markets.
- Stocks ended lower around the world. The US S&P500 fell 3.3% and is now down 1.1% for the year to date. In Europe, the DJ Stoxx600 lost 3.1%, while China's Shanghai Composite shed 3.4%. Australia's S&P/ASX200 ended 2.8% lower. Investors sought 'safe haven' assets lifting the US dollar against other currencies and commodities. The AUD dropped 1 cent to US\$0.764.
- Bond yields were little changed over the week. The TCorp yield curve flattened a little.

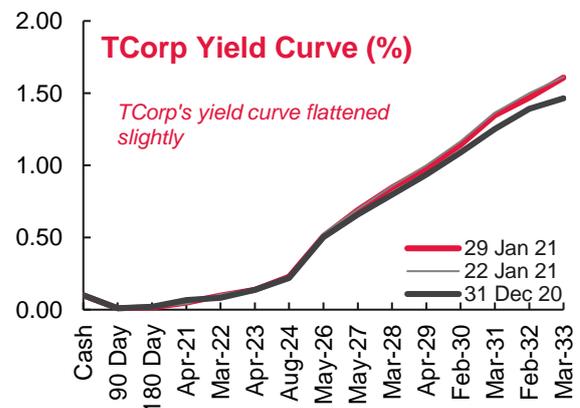
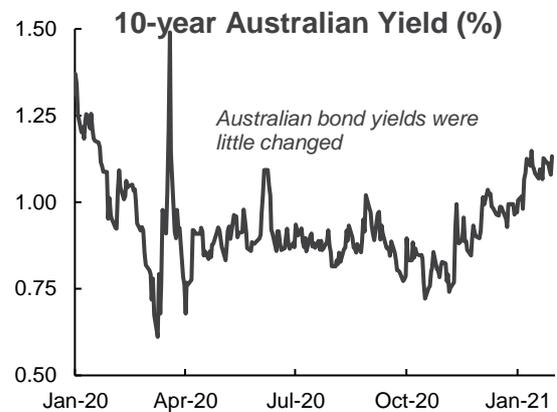
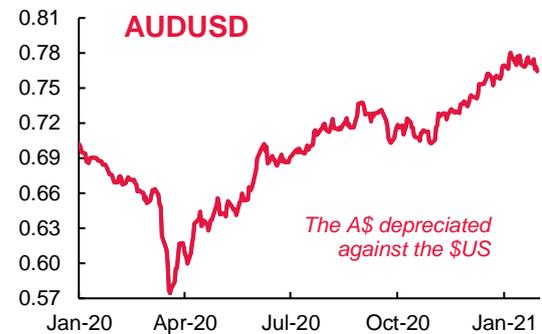
Economic calendar

Monday 1/2	AU: ANZ Job ads, Jan US: ISM Manufacturing index, Jan
Tuesday 2/2	AU: RBA monetary policy decision EU: GDP, Q4
Wednesday 3/2	AU: RBA Governor Lowe speech EU: CPI, Jan
Thursday 4/2	UK: BoE monetary policy decision US: Initial jobless claims, w/e Jan 30
Friday 5/2	AU: RBA Governor Lowe testimony AU: RBA Statement on Monetary Policy

The week ahead

- Investors will track the roll-out of vaccines and whether they reduce COVID-19 caseloads around the world. They will also follow the progress of President Biden's new fiscal stimulus plan and digest updates on monetary policy from the Bank of England and other central banks.
- Economic data is expected to confirm the US economy retains forward momentum, but Europe's recovery has stalled.
- In Australia, the Reserve Bank of Australia (RBA) holds its first monetary policy meeting for 2021 and will provide revised forecasts for the key variables that guide its policy decisions and release its quarterly report on economic and financial conditions. RBA Governor Lowe will explain the Bank's current thinking in detail to a Parliamentary Committee.
- It is the first sitting week in 2021 for both Houses of Australia's Parliament, COVID-19 developments and associated economic support measures will be discussed.

Financial markets charts



Financial markets data: Week ending 29 January 2020

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	–	0	–
90-day BBSW	0.01	0	▼	0	–
3-year Australian Bond Yield	0.11	0	▼	1	▲
10-year Australian Bond Yield	1.13	1	▲	16	▲
20-year Australian Bond Yield	1.89	-1	▼	18	▲
10-year Australian Break-Even Inflation	1.82	-2	▼	5	▲
10-year Australian Real Yield	-0.69	3	▲	11	▲
Fed Funds Rate (lower bound)	0.00	0	–	0	–
2-year US Treasury Yield	0.11	-1	▼	-1	▼
10-year US Treasury Yield	1.07	-2	▼	15	▲
30-year US Treasury Yield	1.83	-2	▼	18	▲
10-year German Bund Yield	-0.52	-1	▼	5	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 8 April 2021	0.05	1	▲	-2	▼
6.00% 1 March 2022	0.10	-1	▼	2	▲
4.00% 20 April 2023	0.14	-1	▼	0	▲
1.00% 8 February 2024	0.20	-1	▼	0	▲
5.00% 20 August 2024	0.23	-1	▼	1	▲
4.00% 20 May 2026	0.51	-2	▼	1	▲
3.00% 20 May 2027	0.69	-1	▼	3	▲
3.00% 20 March 2028	0.85	-1	▼	5	▲
3.00% 20 April 2029	0.98	-2	▼	4	▲
3.00% 20 February 2030	1.14	-2	▼	5	▲
2.00% 20 March 2031	1.35	-2	▼	9	▲
2.00% 20 March 2032	1.61	0	▼	14	▲
2.00% 20 March 2033	1.73	-3	▼	11	▲
2.75% 20 November 2025 CIB	-1.32	-6	▼	-21	▼
2.50% 20 November 2035 CIB	0.07	4	▲	16	▲
10-year NSW TCorp Bond Yield	1.34	-2	▼	10	▲
10-year TCV (Victoria) Spread	-0.01	-1	▼	-3	▼
10-year QTC (Queensland) Spread	-0.06	0	▼	-2	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,607	-2.8%	▼	0.3%	▲
S&P500 (US)	3,714	-3.3%	▼	-1.1%	▼
FTSE 100 (UK)	6,407	-4.3%	▼	-0.8%	▼
DJ Stoxx600 (Europe)	396	-3.1%	▼	-0.8%	▼
Nikkei 225 (Japan)	27,663	-3.4%	▼	0.8%	▲
Shanghai Composite (China)	3,483	-3.4%	▼	0.3%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.764	-0.9%	▼	-1.2%	▼
EUR/USD	1.214	-0.3%	▼	-1.2%	▼
USD/JPY	104.68	0.9%	▲	1.6%	▲
GBP/USD	1.37	0.2%	▲	0.2%	▲
US\$ Index	90.53	0.3%	▲	0.7%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	55.88	0.8%	▲	7.9%	▲
Iron Ore (US\$/t)	168.13	-0.7%	▼	7.9%	▲
Coking Coal (US\$/t)	1,800.00	-0.3%	▼	20.0%	▲
Gold (US\$/oz)	1,847.65	-0.4%	▼	-2.7%	▼

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