

Financial markets charts

The week that was

- Bond yields rose sharply as investors interpreted an upside surprise to Australian inflation in May as likely to increase rate hikes further. This interpretation was downplayed by the Reserve Bank of Australia (RBA) Deputy Governor, noting that the monthly data only provides a partial read on inflation and that the RBA focuses on a broad range of economic information when setting policy. Australian 10-year bond yields ended the week 10bps higher and the Australian dollar appreciated 0.4% against the US dollar. The ASX200 fell 0.4%, with higher bond yields weighing on some interest rate-sensitive sectors.
- As expected, US inflation was subdued in May, indicating that inflation is continuing to ease. This also reassured investors, expecting the Federal Reserve to deliver 1 or 2 rate cuts this year. US 10-year bond yields ended the week 14bps higher, largely reflecting rebalancing for month and quarter-end. The S&P500 was little changed.
- The Japanese Yen has continued to face depreciation pressures and is now at its lowest level against the US dollar since the mid-1980s.
- Oil prices rose 1.4%, with heightened tensions in the Middle East contributing, despite signs of weaker US oil demand.

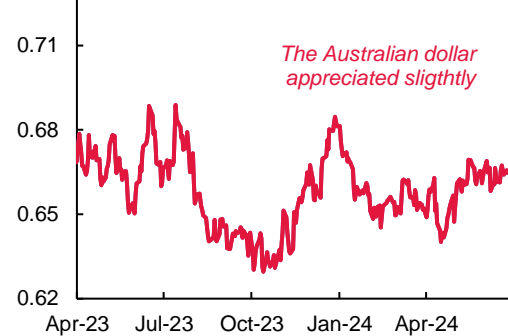
Economic calendar

Monday 01/07	US: ISM Manufacturing, Jun EU: ECB Central Banking Forum
Tuesday 02/07	AU: RBA Board minutes, Jun EC: CPI, Jun (preliminary)
Wednesday 03/07	US: ISM Services, Jun; FOMC meeting minutes, Jun AU: Retail sales, May; Building approvals, May Global: PMIs, Jun (final)
Thursday 04/07	
Friday 05/07	US: Non-farm payrolls, Jun

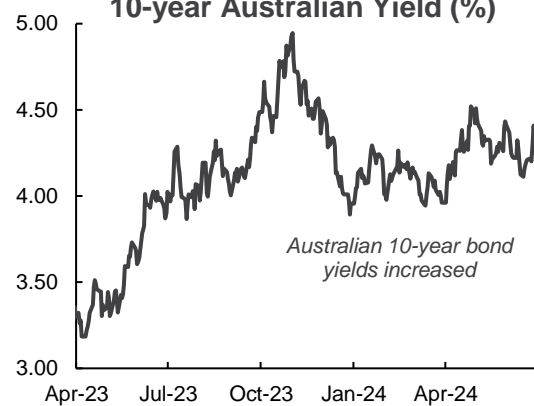
The week ahead

- Markets will focus on US payrolls, which have been increasing solidly despite other employment measures suggesting a larger slowing in labour market conditions. ISM surveys will also provide updated reads on economic activity.
- In Europe, markets could also react to election results in France and the UK, inflation data, and comments from central bankers at the European Central Bank's annual central banking forum.
- Minutes from the RBA Board's June meeting will show whether the Board has become more concerned about inflation remaining elevated for longer. Retail trade and building approvals data are expected to show continued weakness.

AUD/USD



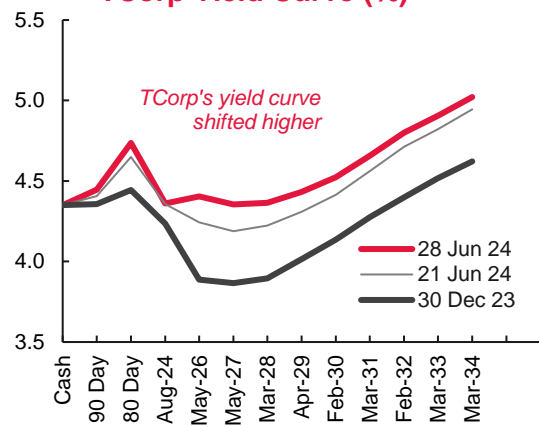
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 28 June 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.45	4	▲	9	▲
3-year Australian Bond Yield	4.08	17	▲	47	▲
10-year Australian Bond Yield	4.31	10	▲	36	▲
20-year Australian Bond Yield	4.58	7	▲	33	▲
10-year Australian Break-Even Inflation	2.42	7	▲	-15	▼
10-year Australian Real Yield	1.89	3	▲	51	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.75	2	▲	50	▲
10-year US Treasury Yield	4.40	14	▲	52	▲
30-year US Treasury Yield	4.56	16	▲	53	▲
10-year German Bund Yield	2.50	9	▲	48	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.36	0	▲	13	▲
1.25% 20 March 2025	4.45	12	▲	42	▲
4.00% 20 May 2026	4.40	16	▲	52	▲
3.00% 20 May 2027	4.36	17	▲	49	▲
3.00% 20 March 2028	4.36	14	▲	47	▲
3.00% 20 April 2029	4.43	12	▲	42	▲
3.00% 20 February 2030	4.52	11	▲	39	▲
2.00% 20 March 2031	4.66	10	▲	38	▲
1.50% 20 February 2032	4.80	9	▲	40	▲
2.00% 8 March 2033	4.91	8	▲	39	▲
1.75% 20 March 2034	5.02	8	▲	40	▲
2.75% 20 November 2025 CIB	1.94	6	▲	88	▲
2.50% 20 November 2035 CIB	2.54	3	▲	47	▲
10-year NSW TCorp Bond Yield	5.01	8	▲	45	▲
10-year TCV (Victoria) Spread	0.07	2	▲	-4	▼
10-year QTC (Queensland) Spread	0.01	0	▲	10	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,767	-0.4%	▼	2.3%	▲
S&P500 (US)	5,460	-0.1%	▼	14.5%	▲
FTSE 100 (UK)	8,164	-0.9%	▼	5.6%	▲
DJ Stoxx600 (Europe)	511	-0.7%	▼	6.8%	▲
Nikkei 225 (Japan)	39,583	2.6%	▲	18.3%	▲
Shanghai Composite (China)	2,967	-1.0%	▼	-0.3%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.667	0.4%	▲	-2.1%	▼
EUR/USD	1.071	0.2%	▲	-3.0%	▼
USD/JPY	160.88	0.7%	▲	14.1%	▲
GBP/USD	1.26	0.0%	—	-0.7%	▼
US\$ Index	105.87	0.1%	▲	4.5%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	86.41	1.4%	▲	12.2%	▲
Iron Ore (US\$/t)	106.51	-0.1%	▼	-21.9%	▼
Coking Coal (US\$/t)	207.23	4.7%	▲	-24.8%	▼
Gold (US\$/oz)	2,326.75	0.2%	▲	12.8%	▲

Brian Redican
Chief Economist
brian.redican@tcorp.nsw.gov.au

Emily Perry
Senior Economist
emily.perry@tcorp.nsw.gov.au



Level 7, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000, Australia

T +61 2 9325 9325

W www.tcorp.nsw.gov.au

ABN 99 235 825

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