

### The week that was

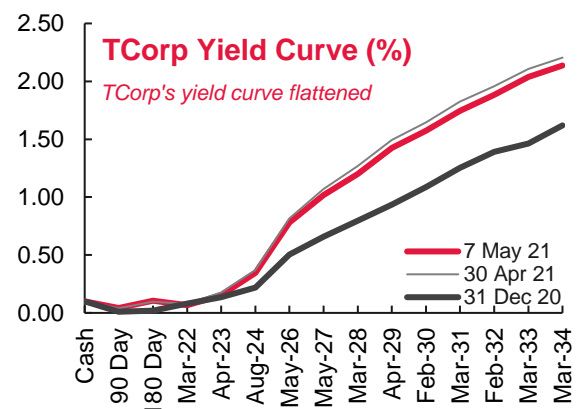
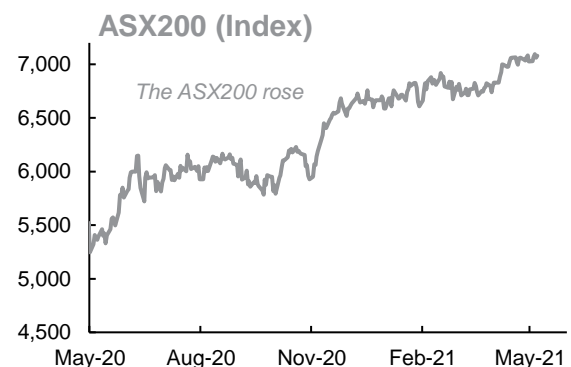
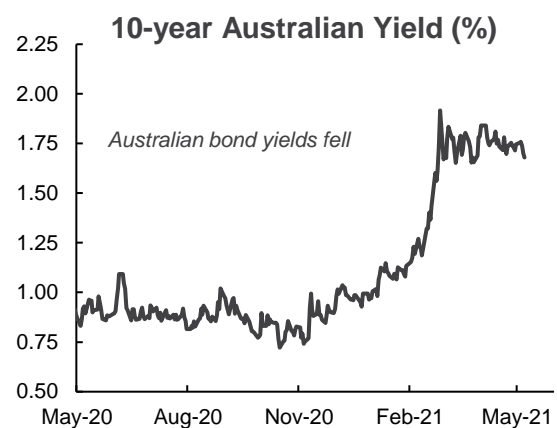
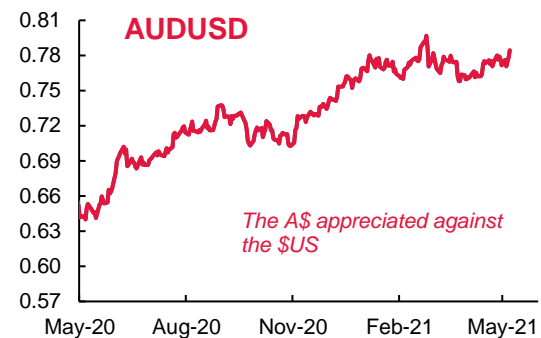
- Investors continued to push equity markets higher, even managing to put a positive spin on patchy economic data. For example, much weaker-than-expected US jobs data boosted share markets, as investors reasoned that it would compel policymakers to maintain stimulus policies.
- Meanwhile, the Reserve Bank of Australia (RBA) raised its forecasts for growth, while maintaining a low inflation outlook, and said it would review some of its monetary policy settings in July.
- Share markets ended higher. The US S&P500 rose 1.2%, the Euro Stoxx600 gained 1.7% and the ASX200 ended the week 0.8% higher. US 10-year bond yields fell 5bps to 1.58%, while Australia's November 31 bond yield fell 7bps to 1.68%. TCorp's yield curve flattened.
- The US dollar depreciated 1.2% on average against other currencies, the Australian dollar rose 1.7% to US\$0.784. Brent oil added 1.5%, and iron ore surged 14.8% to US\$206 per tonne, as Chinese steelmakers added to their inventory levels.

### Economic calendar

<b>Monday</b> <b>10/5</b>	AU: Retail trade, Q1 AU: NAB Business survey, Apr
<b>Tuesday</b> <b>11/5</b>	CH: CPI, Apr AU: Commonwealth Budget, 2021-22
<b>Wednesday</b> <b>12/5</b>	EU: EC Economic forecasts US: CPI, Apr
<b>Thursday</b> <b>13/5</b>	AU: Consumer inflation expectations US: Initial jobless claims
<b>Friday</b> <b>14/5</b>	US: Retail sales, Apr US: Industrial production, Apr

### The week ahead

- This week there are few large US firms yet to report earnings, and no major central bank meetings scheduled. Global investors will be guided by key US data releases and a host of Federal Reserve officials speaking about the US economic outlook.
- In Australia, the focus moves from monetary policy to fiscal policy with the release of the Commonwealth Budget for 2020-21. The Budget bottom line has benefited from a stronger economy and higher commodity prices. However, the Government has said it wants to drive down unemployment, so some of the improvement will be channelled into new spending. The Government will also revise its borrowing requirements, which may influence the RBA's bond purchase program.
- The most important local data releases are retail sales, which includes details of retail sales volumes and retail price inflation, and NAB's business survey, which has been strong.



## Financial markets data: Week ending 7 May 2021

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.04	0	▲	3	▲
3-year Australian Bond Yield	0.29	0	▼	19	▲
10-year Australian Bond Yield	1.68	-7	▼	71	▲
20-year Australian Bond Yield	2.39	-6	▼	68	▲
10-year Australian Break-Even Inflation	2.19	3	▲	42	▲
10-year Australian Real Yield	-0.51	-10	▼	29	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	0.14	-1	▼	2	▲
10-year US Treasury Yield	1.58	-5	▼	66	▲
30-year US Treasury Yield	2.28	-2	▼	63	▲
10-year German Bund Yield	-0.22	-1	▼	35	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.07	-1	▼	-2	▼
4.00% 20 April 2023	0.15	-3	▼	2	▲
1.00% 8 February 2024	0.29	-2	▼	9	▲
5.00% 20 August 2024	0.35	-2	▼	13	▲
4.00% 20 May 2026	0.78	-4	▼	28	▲
3.00% 20 May 2027	1.02	-5	▼	36	▲
3.00% 20 March 2028	1.20	-7	▼	40	▲
3.00% 20 April 2029	1.42	-7	▼	49	▲
3.00% 20 February 2030	1.57	-7	▼	49	▲
2.00% 20 March 2031	1.75	-8	▼	49	▲
1.50% 20 February 2032	1.88	-8	▼	49	▲
2.00% 8 March 2033	2.04	-7	▼	57	▲
2.75% 20 November 2025 CIB	-1.39	-5	▼	-28	▼
2.50% 20 November 2035 CIB	0.21	-11	▼	30	▲
10-year NSW TCorp Bond Yield	1.77	-7	▼	53	▲
10-year TCV (Victoria) Spread	0.01	1	▲	-1	▼
10-year QTC (Queensland) Spread	0.01	0	▲	5	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,081	0.8%	▲	7.5%	▲
S&P500 (US)	4,233	1.2%	▲	12.7%	▲
FTSE 100 (UK)	7,130	2.3%	▲	10.4%	▲
DJ Stoxx 600 (Europe)	445	1.7%	▲	11.5%	▲
Nikkei 225 (Japan)	29,358	1.9%	▲	7.0%	▲
Shanghai Composite (China)	3,419	-0.8%	▼	-1.6%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.784	1.7%	▲	1.9%	▲
EUR/USD	1.217	1.2%	▲	-0.4%	▼
USD/JPY	108.60	-0.6%	▼	5.2%	▲
GBP/USD	1.40	1.2%	▲	2.3%	▲
US\$ Index	90.23	-1.2%	▼	0.3%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	68.28	1.5%	▲	31.8%	▲
Iron Ore (US\$/t)	206.28	14.8%	▲	32.4%	▲
Coking Coal (US\$/t)	1,779.00	10.5%	▲	18.6%	▲
Gold (US\$/oz)	1,831.24	3.5%	▲	-3.5%	▼

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