

# Weekly Economic Report

11 April 2022

## The week that was

- Bond yields rose further on more hawkish rhetoric from major central banks, including the US Federal Reserve (Fed), the Reserve Bank of Australia (RBA) and the European Central Bank (ECB). Rapid expected rate hikes alongside weaker economic growth projections, have some forecasters predicting a US recession from 2023.
- Minutes from the Fed's March meeting suggested the Ukraine turmoil stopped them raising interest rates by 50bps. However, the minutes also signalled appetite for 50bps hikes going forward and that Quantitative Tightening would start in May.
- In its April policy meeting, the RBA also dropped its comment that it can be "patient" in evaluating the outlook, particularly for inflation, in the coming months. Markets saw this as opening the door for near-term hikes.
- In the US, 10-year yields rose 32bps to 2.70%, while the 2-year rose 6bps to 2.51%. Australian 10-year yields rose 14bps to 2.96%, while 3-year yields jumped another 6bps to 2.54%. TCorp's 10-year yield increased 14bps, to 3.31%.
- Equities were mixed. The US S&P500 fell 1.3% and the ASX200 fell 0.3%. Europe's Stoxx600 index rose 0.6%. The Australian dollar moderated further, down 0.5% to US\$0.746.

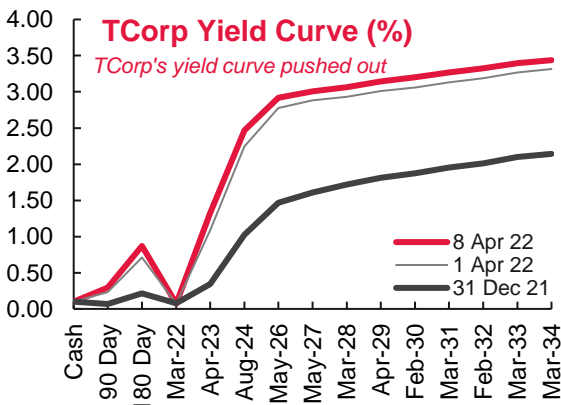
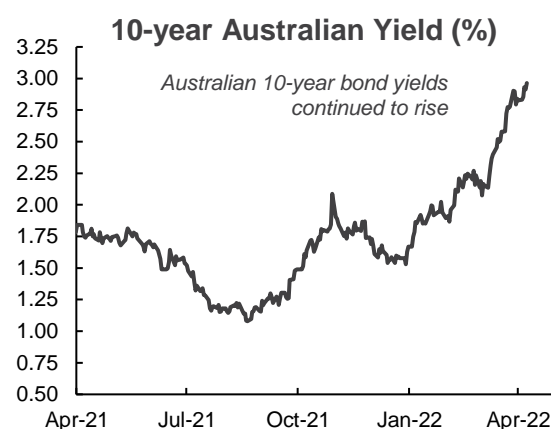
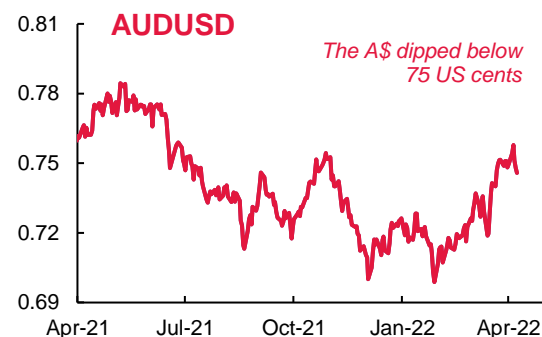
## Economic calendar

<b>Monday 11/04</b>	CH: CPI, Mar
<b>Tuesday 12/04</b>	AU: CBA Household Spending, Mar, NAB Business Survey, Mar US: CPI, Mar, Real Average Earnings, Mar
<b>Wednesday 13/04</b>	AU: Westpac Consumer Survey, Apr NZ: RBNZ policy decision US: PPI, Mar
<b>Thursday 14/04</b>	AU: Employment report, Mar CA: Bank of Canada policy decision EU: ECB policy decision US: Retail sales, Mar, Import and Export Prices, Mar
<b>Friday 15/04</b>	CH: New Home Prices, Mar US: University of Michigan Consumer Survey, Apr (prelim), Industrial Production, Mar

## The week ahead

- Rate decisions from the Reserve Bank of New Zealand, Bank of Canada and ECB are due, and likely to fuel market expectations for aggressive, global tightening.
- The Australian employment report will be closely watched to gauge the labour market crunch and potential wage pressure facing the RBA.

## Financial markets charts



## Financial markets data: Week ending 08 April 2022

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.30	6	▲	23	▲
3-year Australian Bond Yield	2.54	16	▲	162	▲
10-year Australian Bond Yield	2.96	14	▲	129	▲
20-year Australian Bond Yield	3.25	9	▲	98	▲
10-year Australian Break-Even Inflation	2.47	-2	▼	20	▲
10-year Australian Real Yield	0.49	16	▲	110	▲
Fed Funds Rate (lower bound)	0.25	0	—	25	▲
2-year US Treasury Yield	2.51	6	▲	178	▲
10-year US Treasury Yield	2.70	32	▲	119	▲
30-year US Treasury Yield	2.72	29	▲	82	▲
10-year German Bund Yield	0.71	15	▲	88	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 April 2023	1.33	24	▲	98	▲
1.00% 8 February 2024	2.23	24	▲	140	▲
5.00% 20 August 2024	2.47	22	▲	144	▲
1.25% 20 March 2025	2.67	15	▲	145	▲
4.00% 20 May 2026	2.92	14	▲	145	▲
3.00% 20 May 2027	3.01	13	▲	140	▲
3.00% 20 March 2028	3.07	14	▲	135	▲
3.00% 20 April 2029	3.15	13	▲	134	▲
3.00% 20 February 2030	3.20	14	▲	133	▲
2.00% 20 March 2031	3.27	14	▲	132	▲
1.50% 20 February 2032	3.33	14	▲	132	▲
2.00% 8 March 2033	3.39	13	▲	130	▲
3.50% 20 March 2034	3.44	12	▲	130	▲
2.75% 20 November 2025 CIB	-0.15	14	▲	88	▲
2.50% 20 November 2035 CIB	1.04	11	▲	101	▲
10-year NSW TCorp Bond Yield	3.31	14	▲	133	▲
10-year TCV (Victoria) Spread	0.03	0	▲	-1	▼
10-year QTC (Queensland) Spread	-0.01	0	▼	-3	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,478	-0.2%	▼	0.4%	▲
S&P500 (US)	4,488	-1.3%	▼	-5.8%	▼
FTSE 100 (UK)	7,670	1.7%	▲	3.9%	▲
DJ Stoxx600 (Europe)	461	0.6%	▲	-5.5%	▼
Nikkei 225 (Japan)	26,986	-2.5%	▼	-6.3%	▼
Shanghai Composite (China)	3,252	-0.9%	▼	-10.7%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.746	-0.5%	▼	2.7%	▲
EUR/USD	1.088	-1.5%	▼	-4.3%	▼
USD/JPY	124.34	1.5%	▲	8.0%	▲
GBP/USD	1.30	-0.7%	▼	-3.7%	▼
US\$ Index	99.80	1.2%	▲	4.3%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	102.78	-1.5%	▼	32.1%	▲
Iron Ore (US\$/t)	155.07	-3.9%	▼	28.1%	▲
Coking Coal (US\$/t)	3,220.50	0.1%	▲	56.8%	▲
Gold (US\$/oz)	1,947.54	1.1%	▲	6.5%	▲

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