

Financial markets charts

The week that was

- The Australian Fair Work Commission increased minimum and award wages by 3.75%, in line with expectations. This outcome provides more confidence that wages growth in Australia will slow and return to a level consistent with the Reserve Bank of Australia's (RBA) inflation target.
- The Australian economy grew by only 0.1% in the March quarter and again contracted in per capita terms. High interest rates continue to weigh on household spending and residential construction, while government spending has been an increasingly important driver of economic activity in recent years.
- The European Central Bank (ECB) and Bank of Canada (BoC) lowered interest rates for the first time in this cycle. The BoC signalled that further rate cuts are likely soon, while the ECB noted that the timing and pace of future rate cuts are highly uncertain and depend on inflation continuing to ease.
- US 10-year bond yields ended the week 6bps lower as survey measures pointed to softening economic activity. However, the decline was limited by strong employment data pushing higher.
- Oil prices fell 2.5%, reflecting concerns about increased supply as OPEC+ members plan to phase out their voluntary production cuts from October.
- The prices of many other commodities also fell last week on concerns over weak demand from China. The fall in oil and commodity prices weighed on Australian mining and energy stocks, but the ASX200 still managed to gain 2.1% last week as most other sectors rose strongly.

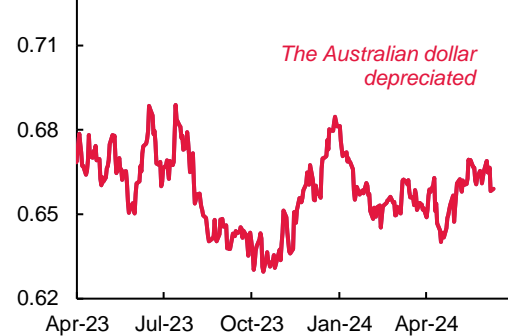
Economic calendar

Monday 10/06	JP: GDP, Mar qtr (final)
Tuesday 11/06	AU: NAB business survey, May
Wednesday 12/06	US: CPI, May CH: CPI & PPI, May
Thursday 13/06	US: FOMC policy decision; PPI, May AU: Labour force survey, May
Friday 14/06	JP: Bank of Japan policy decision US: Uni of Michigan Sentiment, Jun

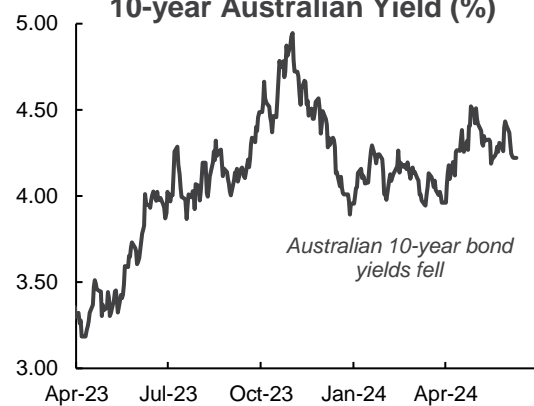
The week ahead

- Investors will focus on US inflation data and the US Federal Reserve (Fed) policy meeting. Updated forecasts will signal how the Fed's outlook for interest rates and the US economy has evolved since March.
- The Bank of Japan (BoJ) also meets this week. Attention will be paid to whether the BoJ reduces the pace of its government bond purchases, which could put upward pressure on bond yields.
- Employment data for May is the key release locally.

AUD/USD



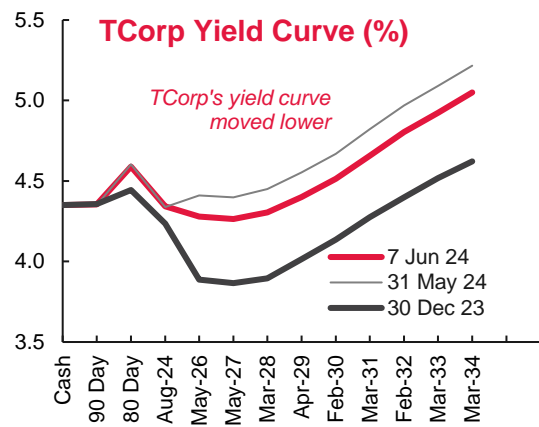
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 7 June 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.35	0	▲	0	▼
3-year Australian Bond Yield	3.90	-15	▼	29	▲
10-year Australian Bond Yield	4.22	-19	▼	27	▲
20-year Australian Bond Yield	4.50	-18	▼	26	▲
10-year Australian Break-Even Inflation	2.37	-11	▼	-20	▼
10-year Australian Real Yield	1.85	-8	▼	46	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.89	1	▲	64	▲
10-year US Treasury Yield	4.43	-6	▼	55	▲
30-year US Treasury Yield	4.55	-9	▼	53	▲
10-year German Bund Yield	2.62	-4	▼	60	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.34	0	▲	11	▲
1.25% 20 March 2025	4.36	-5	▼	32	▲
4.00% 20 May 2026	4.28	-13	▼	39	▲
3.00% 20 May 2027	4.26	-13	▼	40	▲
3.00% 20 March 2028	4.30	-15	▼	41	▲
3.00% 20 April 2029	4.40	-15	▼	38	▲
3.00% 20 February 2030	4.51	-16	▼	38	▲
2.00% 20 March 2031	4.66	-17	▼	38	▲
1.50% 20 February 2032	4.80	-17	▼	41	▲
2.00% 8 March 2033	4.92	-17	▼	41	▲
1.75% 20 March 2034	5.05	-17	▼	43	▲
2.75% 20 November 2025 CIB	1.74	0	—	67	▲
2.50% 20 November 2035 CIB	2.48	-6	▼	42	▲
10-year NSW TCorp Bond Yield	5.02	-17	▼	47	▲
10-year TCV (Victoria) Spread	0.05	-1	▼	-6	▼
10-year QTC (Queensland) Spread	0.01	2	▲	9	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,860	2.1%	▲	3.5%	▲
S&P500 (US)	5,347	1.3%	▲	12.1%	▲
FTSE 100 (UK)	8,245	-0.4%	▼	6.6%	▲
DJ Stoxx600 (Europe)	524	1.0%	▲	9.3%	▲
Nikkei 225 (Japan)	38,684	0.5%	▲	15.6%	▲
Shanghai Composite (China)	3,051	-1.2%	▼	2.6%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.658	-1.1%	▼	-3.4%	▼
EUR/USD	1.080	-0.4%	▼	-2.2%	▼
USD/JPY	156.75	-0.4%	▼	11.1%	▲
GBP/USD	1.27	-0.2%	▼	-0.1%	▼
US\$ Index	104.89	0.2%	▲	3.5%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	79.62	-2.5%	▼	3.3%	▲
Iron Ore (US\$/t)	108.70	-7.5%	▼	-20.3%	▼
Coking Coal (US\$/t)	166.61	1.8%	▲	-39.6%	▼
Gold (US\$/oz)	2,293.78	-1.4%	▼	11.2%	▲

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