

Financial markets charts

The week that was

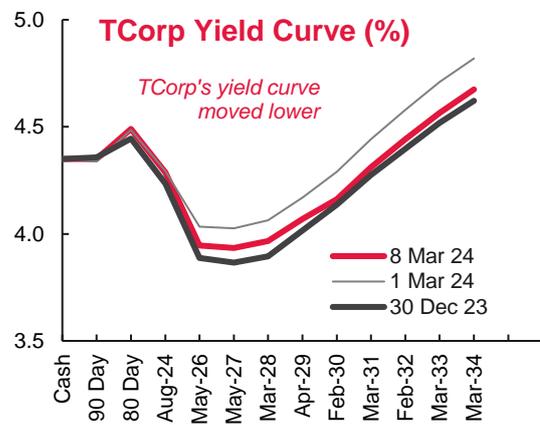
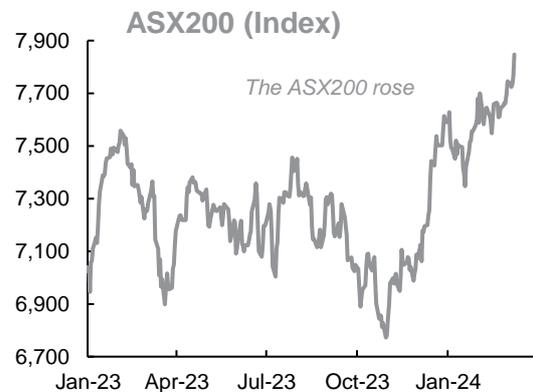
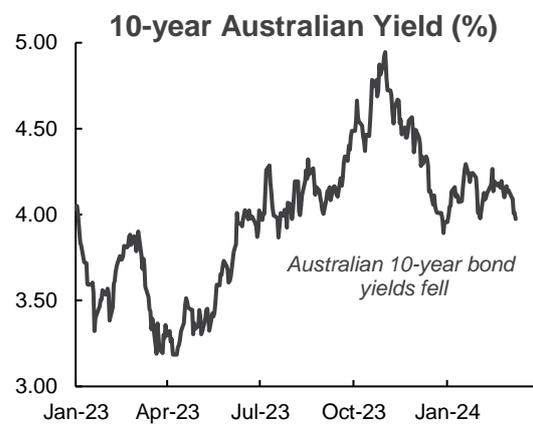
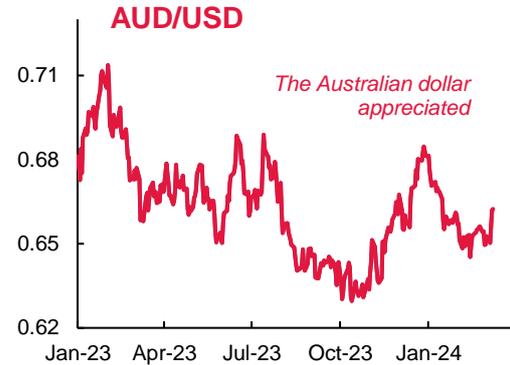
- The Australian economy grew by a modest 0.2% in the December quarter 2023. Public sector spending is increasingly driving growth, with household spending very soft, particularly in per capita terms. Dwelling investment fell in the quarter and building approvals fell further in January. Australian 10-year bond yields fell by 17bps and the ASX200 rose 1.3%, mainly driven by offshore developments.
- The US Federal Reserve and the European Central Bank appear more confident that they will have enough information to be able to cut rates soon with investors now expecting both to start cutting rates in June. This helped push bond yields lower, with US 10-year yields ending the week 10bps lower and German 10-year yields down 15bps.
- The US S&P500 fell by 0.3% last week, as investors fretted that a larger-than-expected rise in February jobs growth might possibly derail, or delay, rate cuts.
- Chinese authorities announced an ambitious 5% growth target for 2024, which is likely only achievable if sizeable economic stimulus measures are announced. The size and type of stimulus will have implications for iron ore prices, which have fallen by 14% in 2024 so far, as China's property construction downturn deepens.

Economic calendar

Monday 11/03	JN: GDP, Q4 (final)
Tuesday 12/03	AU: NAB Business survey, Feb UK: Labour market data, Jan/Feb GE: CPI, Feb (final)
Wednesday 13/03	US: CPI, Feb
Thursday 14/03	US: Retail sales, Feb; PPI, Feb
Friday 15/03	US: Empire manufacturing, Mar FR: CPI, Feb (final)

The week ahead

- In a quieter week, the focus will be on US inflation data. After inflation surprised to the upside in January, another may challenge expectations for rate cuts to commence in June.
- The initial results of Japan's Shunto wage negotiations will be released this week, where large Japanese companies negotiate annual wage increases with unions. A rise in base wages of around 4% is expected, which would increase the Bank of Japan's confidence of sustainably meeting its 2% inflation target and ending its negative interest rate policy.
- Locally, the NAB business survey will show if business sentiment has continued to deteriorate.



Financial markets data: Week ending 8 March 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	–	0	–
90-day BBSW	4.35	1	▲	-1	▼
3-year Australian Bond Yield	3.61	-11	▼	0	–
10-year Australian Bond Yield	3.97	-17	▼	2	▲
20-year Australian Bond Yield	4.27	-16	▼	3	▲
10-year Australian Break-Even Inflation	2.45	-3	▼	-12	▼
10-year Australian Real Yield	1.52	-14	▼	14	▲
Fed Funds Rate (lower bound)	5.25	0	–	0	–
2-year US Treasury Yield	4.47	-6	▼	22	▲
10-year US Treasury Yield	4.07	-10	▼	20	▲
30-year US Treasury Yield	4.25	-7	▼	22	▲
10-year German Bund Yield	2.27	-15	▼	24	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.29	-1	▼	5	▲
1.25% 20 March 2025	4.16	-4	▼	13	▲
4.00% 20 May 2026	3.95	-9	▼	6	▲
3.00% 20 May 2027	3.93	-9	▼	7	▲
3.00% 20 March 2028	3.97	-10	▼	7	▲
3.00% 20 April 2029	4.07	-10	▼	5	▲
3.00% 20 February 2030	4.16	-13	▼	3	▲
2.00% 20 March 2031	4.31	-13	▼	4	▲
1.50% 20 February 2032	4.44	-14	▼	4	▲
2.00% 8 March 2033	4.56	-15	▼	5	▲
1.75% 20 March 2034	4.67	-14	▼	5	▲
2.75% 20 November 2025 CIB	1.31	-4	▼	25	▲
2.50% 20 November 2035 CIB	2.18	-14	▼	12	▲
10-year NSW TCorp Bond Yield	4.62	-14	▼	7	▲
10-year TCV (Victoria) Spread	0.10	0	▲	-1	▼
10-year QTC (Queensland) Spread	-0.05	0	▼	3	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,847	1.3%	▲	3.4%	▲
S&P500 (US)	5,124	-0.3%	▼	7.4%	▲
FTSE 100 (UK)	7,660	-0.3%	▼	-1.0%	▼
DJ Stoxx600 (Europe)	503	1.1%	▲	5.1%	▲
Nikkei 225 (Japan)	39,689	-0.6%	▼	18.6%	▲
Shanghai Composite (China)	3,046	0.6%	▲	2.4%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.662	1.5%	▲	-2.8%	▼
EUR/USD	1.094	0.9%	▲	-0.9%	▼
USD/JPY	147.06	-2.0%	▼	4.3%	▲
GBP/USD	1.29	1.6%	▲	1.0%	▲
US\$ Index	102.71	-1.1%	▼	1.4%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	82.08	-1.8%	▼	6.5%	▲
Iron Ore (US\$/t)	116.93	2.0%	▲	-14.3%	▼
Coking Coal (US\$/t)	247.71	8.0%	▲	-10.1%	▼
Gold (US\$/oz)	2,178.95	4.6%	▲	5.6%	▲

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