

Financial markets charts

The week that was

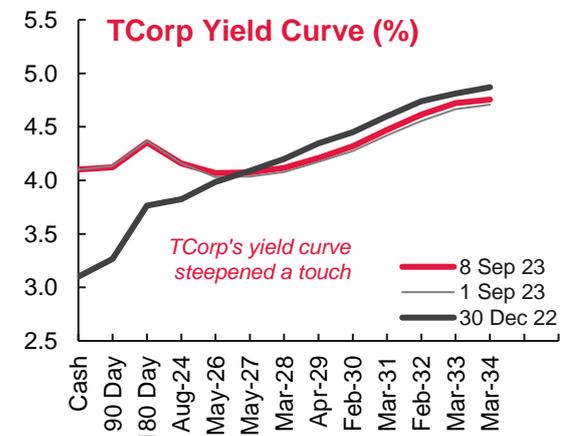
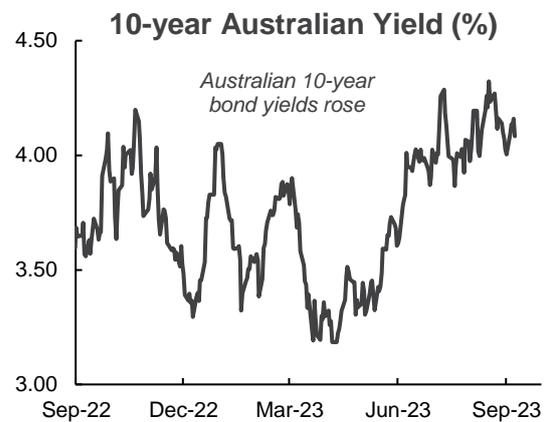
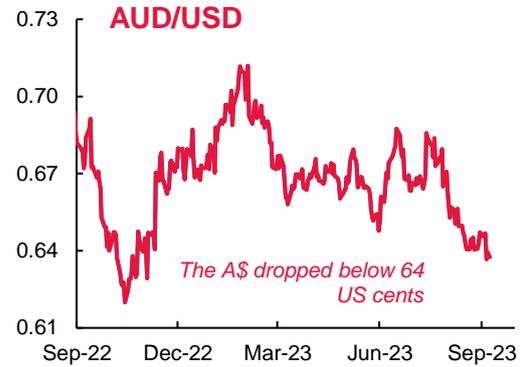
- The Australian economy grew by a modest 0.4% in the June quarter, driven by strong government infrastructure investment and rebounding tourism.
- Private domestic spending was very weak, indicating that the Reserve Bank of Australia's (RBA) rate hikes have slowed activity – noted by the RBA in again keeping policy stable at its September meeting.
- Bond yields rose last week, however, on a stronger-than-expected US survey of services sector firms. US 10-year yields rose by 9bps and Australian 10-year yields increased by 8bps. TCorp bond yields recorded a more modest rise, with the yield on the March 2033 bond rising by 6bps.
- Australian stocks fell by 1.7% last week while the US S&P500 declined by 1.3%. The general 'risk-off' tone in markets was also reflected in the Australian dollar, which dropped below US\$0.646.

Economic calendar

Monday 11/09	
Tuesday 12/09	AU: NAB business survey, Aug AU: Consumer sentiment, Sep
Wednesday 13/09	US: Consumer price inflation, Aug
Thursday 14/09	AU: Employment, Aug EU: ECB policy meeting
Friday 15/09	CH: Retail sales, Aug US: NY Fed Empire State survey, Aug

The week ahead

- In a relatively quiet week for economic data and events, there are some significant data releases globally.
- The most important of these will be US inflation. Price pressures have receded sharply in the US over 2023 which has convinced many investors that the Federal Reserve will not need to raise rates any further. Sticky service-sector inflation, however, could puncture that confidence.
- China's monthly data download will be watched closely to see if there is any sign of improvement and the European Central Bank's (ECB) policy meeting will be monitored not only for what the ECB does, but for President Lagarde's comments after the meeting.
- In Australia, there are updates for business and consumer confidence and the August labour force data. Last month, jobs data was surprisingly weak, with employment falling and the unemployment rate jumping to 3.7%. Most analysts expect a rebound in August, but another soft report would raise questions about whether the labour market is deteriorating more quickly than expected.



Financial markets data: Week ending 8 September 2023

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.10	0	–	100	▲
90-day BBSW	4.12	-1	▼	86	▲
3-year Australian Bond Yield	3.78	5	▲	28	▲
10-year Australian Bond Yield	4.08	8	▲	3	▲
20-year Australian Bond Yield	4.41	8	▲	3	▲
10-year Australian Break-Even Inflation	2.53	5	▲	7	▲
10-year Australian Real Yield	1.56	3	▲	-3	▼
Fed Funds Rate (lower bound)	5.25	0	–	100	▲
2-year US Treasury Yield	4.99	11	▲	56	▲
10-year US Treasury Yield	4.26	9	▲	39	▲
30-year US Treasury Yield	4.34	4	▲	37	▲
10-year German Bund Yield	2.61	6	▲	4	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
1.00% 8 February 2024	4.15	2	▲	41	▲
5.00% 20 August 2024	4.16	0	▼	33	▲
1.25% 20 March 2025	4.16	3	▲	32	▲
4.00% 20 May 2026	4.07	4	▲	8	▲
3.00% 20 May 2027	4.07	4	▲	-1	▼
3.00% 20 March 2028	4.12	4	▲	-8	▼
3.00% 20 April 2029	4.21	4	▲	-14	▼
3.00% 20 February 2030	4.32	4	▲	-13	▼
2.00% 20 March 2031	4.47	5	▲	-13	▼
1.50% 20 February 2032	4.62	6	▲	-12	▼
2.00% 8 March 2033	4.72	6	▲	-9	▼
3.50% 20 March 2034	4.75	5	▲	-12	▼
2.75% 20 November 2025 CIB	1.23	1	▲	42	▲
2.50% 20 November 2035 CIB	2.26	2	▲	-18	▼
10-year NSW TCorp Bond Yield	4.72	5	▲	-3	▼
10-year TCV (Victoria) Spread	0.02	-1	▼	-3	▼
10-year QTC (Queensland) Spread	-0.08	0	▲	-3	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,157	-1.7%	▼	1.7%	▲
S&P500 (US)	4,457	-1.3%	▼	16.1%	▲
FTSE 100 (UK)	7,478	0.2%	▲	0.4%	▲
DJ Stoxx600 (Europe)	455	-0.8%	▼	7.0%	▲
Nikkei 225 (Japan)	32,607	-0.3%	▼	25.0%	▲
Shanghai Composite (China)	3,117	-0.5%	▼	0.9%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.638	-1.2%	▼	-6.4%	▼
EUR/USD	1.070	-0.7%	▼	0.0%	▼
USD/JPY	147.83	1.1%	▲	12.7%	▲
GBP/USD	1.25	-1.0%	▼	3.2%	▲
US\$ Index	105.09	0.8%	▲	1.5%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	90.65	2.4%	▲	5.5%	▲
Iron Ore (US\$/t)	116.43	0.1%	▲	4.6%	▲
Coking Coal (US\$/t)	228.28	4.8%	▲	-36.7%	▼
Gold (US\$/oz)	1,919.08	-1.1%	▼	5.2%	▲

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