

## Financial markets charts

### The week that was

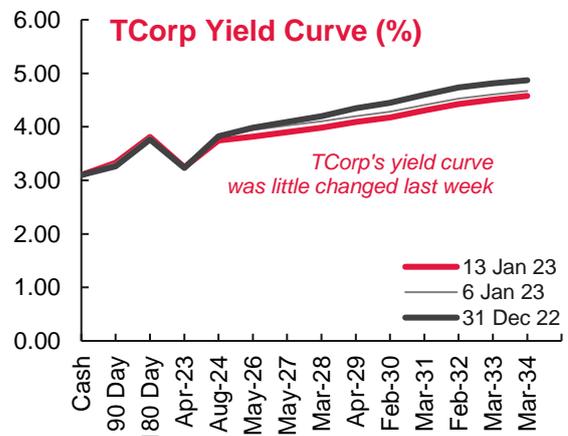
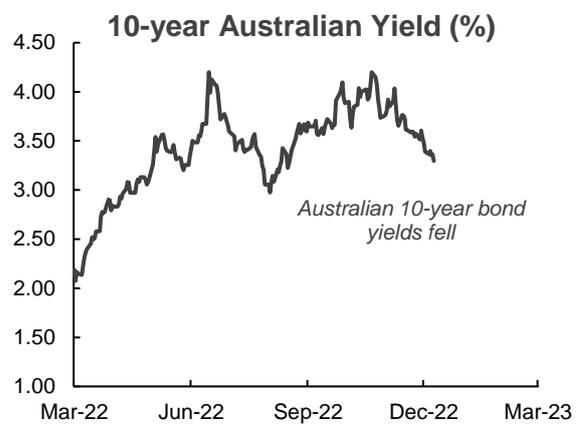
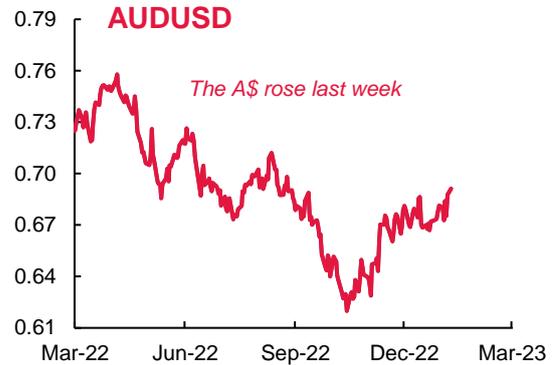
- US December inflation was the focus last week, with both headline and core inflation data in line with market expectations. Year-on-year, headline inflation slowed to 6.5% and core inflation slowed to 5.7%. The data has been interpreted as an encouraging sign that US inflation is slowing, which could allow the Fed to pause its current tightening cycle.
- The CPI figures drove US 10-year yields 5bps lower to 3.50% and Australian 10-year yields 23bps lower to 3.59%.
- Lower bond yields pushed equities higher, with the US S&P500 rising by 2.7%. Australian equities rose by 3.1% and European stocks gained 1.8%.
- The Australian dollar rose to just under US\$0.70 amid broad-based US dollar weakness.
- The Brent crude oil price rose by 8.5% last week as the recent data flow has strengthened expectations for a 'soft landing' in the global economy.

### Economic calendar

<b>Monday</b> 16/01	
<b>Tuesday</b> 17/01	CH: GDP, Dec qtr
<b>Wednesday</b> 18/01	JP: Bank of Japan policy decision, Jan UK: CPI, Dec
<b>Thursday</b> 19/01	AU: Employment report, Dec EU: ECB minutes, Dec US: Retail sales, Dec US: NAHB housing index, Jan
<b>Friday</b> 20/01	US: building permits, housing starts, Jan

### The week ahead

- A key event on Wednesday is the Bank of Japan (BoJ) policy decision; last month's unexpected adjustment to the BoJ's yield curve control policy caused a global sell-off in bond markets. Investors will watch to see if the BoJ makes further policy adjustments to address any market distortions.
- In Australia, December employment data will be released. November employment growth was much stronger than expected and the unemployment rate remained at a low 3.4%.
- US earnings season commences this week, which will be in focus as US inflation has started to ease.



## Financial markets data: Week ending 13 January 2023

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	3.10	0	–	0	–
90-day BBSW	3.31	-1	▼	5	▲
3-year Australian Bond Yield	3.22	-26	▼	-29	▼
10-year Australian Bond Yield	3.59	-23	▼	-46	▼
20-year Australian Bond Yield	3.97	-19	▼	-40	▼
10-year Australian Break-Even Inflation	2.41	1	▲	-5	▼
10-year Australian Real Yield	1.19	-23	▼	-41	▼
Fed Funds Rate (lower bound)	4.25	0	–	0	–
2-year US Treasury Yield	4.23	-2	▼	-19	▼
10-year US Treasury Yield	3.50	-5	▼	-37	▼
30-year US Treasury Yield	3.61	-8	▼	-35	▼
10-year German Bund Yield	2.17	-4	▼	-40	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 April 2023	3.24	-1	▼	0	▲
1.00% 8 February 2024	3.56	-20	▼	-18	▼
5.00% 20 August 2024	3.58	-24	▼	-24	▼
1.25% 20 March 2025	3.55	-26	▼	-29	▼
4.00% 20 May 2026	3.65	-29	▼	-33	▼
3.00% 20 May 2027	3.72	-31	▼	-37	▼
3.00% 20 March 2028	3.81	-30	▼	-40	▼
3.00% 20 April 2029	3.92	-28	▼	-43	▼
3.00% 20 February 2030	4.02	-26	▼	-43	▼
2.00% 20 March 2031	4.15	-26	▼	-45	▼
1.50% 20 February 2032	4.28	-25	▼	-46	▼
2.00% 8 March 2033	4.37	-24	▼	-44	▼
3.50% 20 March 2034	4.43	-24	▼	-44	▼
2.75% 20 November 2025 CIB	0.70	-8	▼	-16	▼
2.50% 20 November 2035 CIB	1.88	-30	▼	-56	▼
10-year NSW TCorp Bond Yield	4.33	-23	▼	-43	▼
10-year TCV (Victoria) Spread	0.04	-2	▼	-1	▼
10-year QTC (Queensland) Spread	-0.05	0	▼	1	▲
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	7,328	3.1%	▲	4.1%	▲
S&P 500 (US)	3,999	2.7%	▲	4.2%	▲
FTSE 100 (UK)	7,844	1.9%	▲	5.3%	▲
DJ Stoxx 600 (Europe)	453	1.8%	▲	6.5%	▲
Nikkei 225 (Japan)	26,120	0.6%	▲	0.1%	▲
Shanghai Composite (China)	3,195	1.2%	▲	3.4%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.697	1.3%	▲	2.3%	▲
EUR/USD	1.083	1.7%	▲	1.2%	▲
USD/JPY	127.87	-3.2%	▼	-2.5%	▼
GBP/USD	1.22	1.1%	▲	1.2%	▲
US\$ Index	0.697	1.3%	▲	-1.3%	▼
Commodities				YTD	
Brent Oil (US\$/bbl)	85.28	8.5%	▲	-0.7%	▼
Iron Ore (US\$/t)	123.59	4.1%	▲	11.1%	▲
Coking Coal (US\$/t)	2,579.00	4.7%	▲	3.7%	▲
Gold (US\$/oz)	1,920.23	2.9%	▲	5.3%	▲

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