

The week that was

- In Australia, most of the focus was on the decision of the Victorian Premier to put Melbourne back into a shutdown for 6 weeks following a rapid increase in new COVID-19 cases. Melbourne accounts for around 20% of Australian economic activity, and so this decision will certainly delay the recovery of the economy. Partly because of this, the Australian equity market fell by 2.3% last week.
- Other equity markets were mixed, with Japanese stocks ending slightly down while European equities rose slightly. US equities were more impressive, gaining 1.8% driven by technology stocks. The star performer, however, were Chinese stocks which surged by 7.3% following comments from a State-run journal which encouraged investors to buy equities.
- Meanwhile, global bond yields were generally lower, following comments from some US Federal Reserve officials that further stimulus may be necessary.

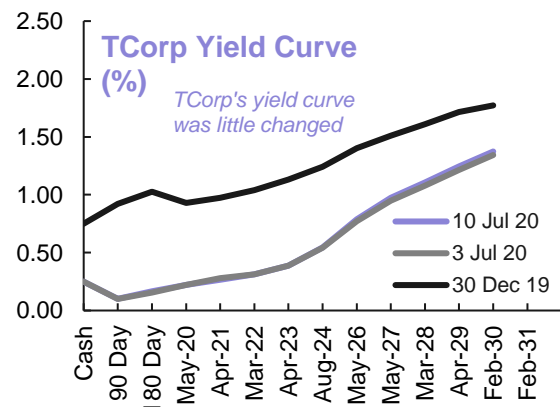
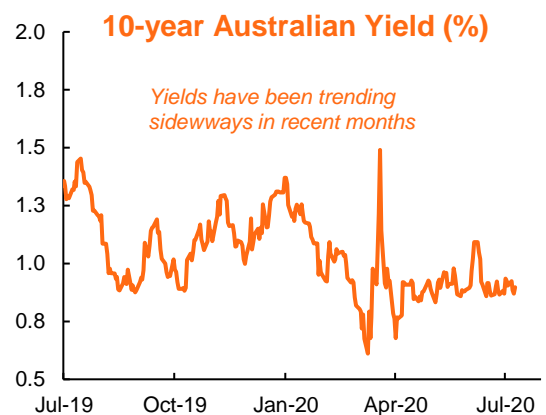
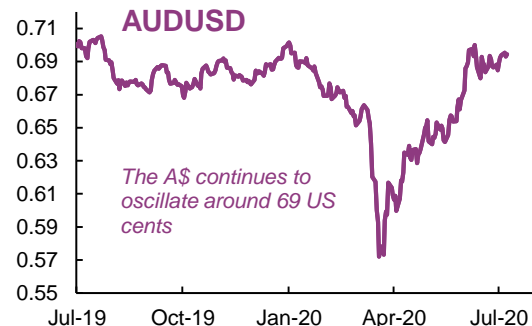
Economic calendar

Monday 13/07	CH: International trade, Jun
Tuesday 14/07	AU: NAB business survey, Jun US: CPI, Jun
Wednesday 15/07	AU: Consumer sentiment, Jul US: NY Manufacturing survey, Jul
Thursday 16/07	AU: Employment, Jul CH: Retail sales, Investment, Industrial production, Jul; GDP Q2 EU: ECB policy meeting US: Housing starts, Jun
Friday 17/07	

The week ahead

- There is an embarrassment of riches on the economic data front this week. In Australia, the main focus will be the June labour force data, which analysts are expecting to see some recovery in jobs after the extreme weakness in April and May. Surveys of business and consumer confidence will also shed light on how households and firms are coping with the ongoing effects of the COVID-19 shutdowns.
- Globally, Chinese GDP data will reveal the extent to which production rebounded after collapsing in the March quarter. Meanwhile, July retail sales, industrial production and investment will highlight whether that momentum was sustained at the start of Q3. In the US, the NY Fed's manufacturing survey will provide the first glimpse of production in July, while housing starts will reveal whether building activity will begin to recover soon.

Financial markets charts



Financial markets data: Week ending 10 July 2020

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.25	0	—	-50	▼
90-day BBSW	0.10	0	—	-82	▼
3-year Australian Bond Yield	0.25	0	▼	-65	▼
10-year Australian Bond Yield	0.86	-5	▼	-51	▼
20-year Australian Bond Yield	1.60	-7	▼	-26	▼
10-year Australian Break-Even Inflation	1.10	0	▼	-31	▼
10-year Australian Real Yield	-0.24	-4	▼	-20	▼
Fed Funds Rate (lower bound)	0.00	0	—	-150	▼
2-year US Treasury Yield	0.15	0	▲	-142	▼
10-year US Treasury Yield	0.64	-2	▼	-127	▼
30-year US Treasury Yield	1.34	-9	▼	-105	▼
10-year German Bund Yield	-0.47	-3	▼	-28	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 8 April 2021	0.26	-2	▼	-74	▼
6.00% 1 March 2022	0.31	-1	▼	-76	▼
4.00% 20 April 2023	0.39	0	▲	-78	▼
1.00% 8 February 2024	0.52	1	▲	-76	▼
5.00% 20 August 2024	0.55	1	▲	-73	▼
4.00% 20 May 2026	0.82	5	▲	-63	▼
3.00% 20 May 2027	0.99	5	▲	-58	▼
3.00% 20 March 2028	1.14	6	▲	-53	▼
3.00% 20 April 2029	1.26	4	▲	-52	▼
3.00% 20 February 2030	1.39	5	▲	-45	▼
2.00% 20 March 2031	1.52	4	▲	-44	▼
2.00% 20 March 2032	1.74	3	▲	n/a	n/a
2.00% 20 March 2033	1.82	3	▲	-38	▼
3.75% 20 August 2020 CIB	0.15	0	—	82	▲
2.75% 20 November 2025 CIB	0.20	0	▼	11	▲
2.50% 20 November 2035 CIB	0.65	-5	▼	n/a	n/a
10-year NSW TCorp Bond Yield	1.37	2	▲	-47	▼
10-year TCV (Victoria) Spread	-0.08	1	▲	-6	▼
10-year QTC (Queensland) Spread	-0.01	1	▲	-4	▼
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	5,919	-2.3%	▼	-11.4%	▼
S&P 500 (US)	3,185	1.8%	▲	-1.4%	▼
FTSE 100 (UK)	6,095	-1.0%	▼	-19.2%	▼
DJ Stoxx 600 (Europe)	367	0.4%	▲	-11.8%	▼
Nikkei 225 (Japan)	22,291	-0.1%	▼	-5.8%	▼
Shanghai Composite (China)	3,383	7.3%	▲	10.9%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.695	0.2%	▲	-0.9%	▼
EUR/USD	1.130	0.5%	▲	0.7%	▲
USD/JPY	106.93	-0.5%	▼	-1.5%	▼
GBP/USD	1.26	1.1%	▲	-4.2%	▼
US\$ Index	96.65	-0.5%	▼	0.3%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	43.24	1.0%	▲	-34.5%	▼
Iron Ore (US\$/t)	105.08	5.4%	▲	14.8%	▲
Coking Coal (US\$/t)	1,255.50	0.0%	▲	4.0%	▲
Gold (US\$/oz)	1,798.70	1.3%	▲	18.5%	▲

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