

Financial markets charts

The week that was

- The Reserve Bank of Australia (RBA) Board left interest rates unchanged last week and maintained its neutral stance, viewing risks to the outlook as balanced. While the RBA sees higher inflation this year compared to a few months ago, it still expects inflation to fall within its target band in the second half of 2025 and to reach the 2.5% midpoint in 2026. The RBA's less hawkish stance saw Australian bond yields fall, equities rise, and the Australian dollar depreciate. 10-year yields ended the week 10bps lower and the ASX200 rose by 1.6%, while the Australian dollar was steady.
- Sweden's central bank cut interest rates by 25bps last week, becoming the second advanced economy to lower rates after Switzerland. Although the Bank of England (BoE) held rates steady, the Governor noted that the BoE could cut rates this year by more than financial markets currently expect.
- Last week was relatively quiet in the US, with no first-tier US economic data released. US 10-year bond yields ended the week flat and the S&P500 gained 1.9%, with broad-based gains across sectors.

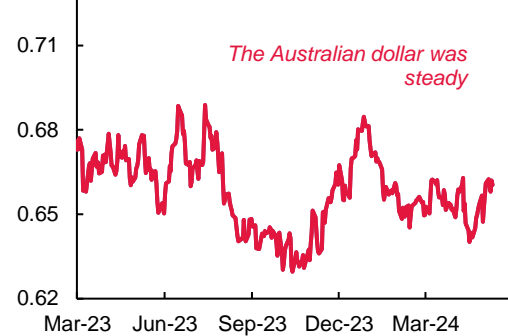
Economic calendar

Monday 13/05	AU: NAB business survey, Apr
Tuesday 14/05	AU: Australian Government budget US: Producer price index (PPI), Apr
Wednesday 15/05	US: CPI, Apr; Retail sales, Apr AU: Wage Price Index, Mar qtr EC: GDP, Mar qtr (prelim)
Thursday 16/05	AU: Labour market data, Apr JP: GDP, Mar qtr (prelim) US: Housing starts, Apr; Building permits, Apr
Friday 17/05	CH: Monthly activity data, Apr EC: CPI, Apr (final)

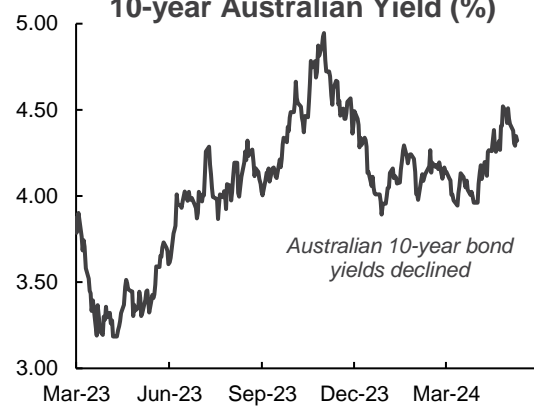
The week ahead

- Investors will focus on US consumer price inflation data for April, after inflation surprised to the upside this year. The more gradual return of inflation to target has led US Federal Reserve policymakers to note that rates will need to stay high for longer.
- Locally, forecasters expect the Wage Price Index to rise by 0.9% in the March quarter. Leading indicators suggest that wages growth is at or near its peak, which is consistent with the labour market gradually loosening. Labour market data released this week will show if this trend continued in April.
- The Australian Government will release the 2024-25 Budget this week. Investors will pay close attention to the Government's debt projections and any new cost of living relief measures announced.

AUD/USD



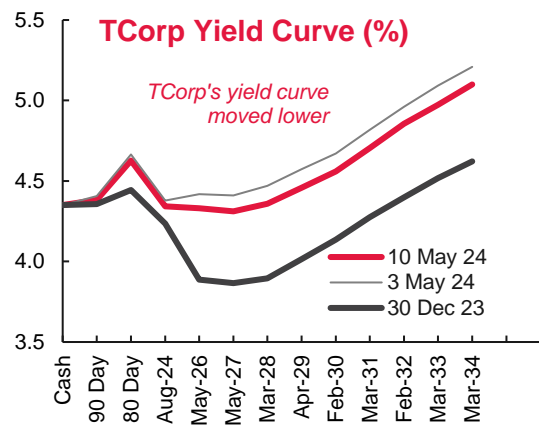
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 10 May 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.38	-3	▼	2	▲
3-year Australian Bond Yield	3.97	-7	▼	36	▲
10-year Australian Bond Yield	4.32	-10	▼	37	▲
20-year Australian Bond Yield	4.60	-10	▼	36	▲
10-year Australian Break-Even Inflation	2.50	-2	▼	-7	▼
10-year Australian Real Yield	1.82	-7	▼	44	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.87	5	▲	62	▲
10-year US Treasury Yield	4.50	-1	▼	62	▲
30-year US Treasury Yield	4.64	-3	▼	61	▲
10-year German Bund Yield	2.52	2	▲	49	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.34	-4	▼	11	▲
1.25% 20 March 2025	4.41	-7	▼	37	▲
4.00% 20 May 2026	4.33	-9	▼	44	▲
3.00% 20 May 2027	4.31	-10	▼	45	▲
3.00% 20 March 2028	4.36	-11	▼	46	▲
3.00% 20 April 2029	4.46	-12	▼	44	▲
3.00% 20 February 2030	4.56	-11	▼	42	▲
2.00% 20 March 2031	4.71	-11	▼	43	▲
1.50% 20 February 2032	4.86	-11	▼	46	▲
2.00% 8 March 2033	4.97	-12	▼	45	▲
1.75% 20 March 2034	5.10	-11	▼	48	▲
2.75% 20 November 2025 CIB	1.59	-2	▼	52	▲
2.50% 20 November 2035 CIB	2.44	-8	▼	37	▲
10-year NSW TCorp Bond Yield	5.06	-11	▼	50	▲
10-year TCV (Victoria) Spread	0.06	2	▲	-5	▼
10-year QTC (Queensland) Spread	0.00	2	▲	8	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,749	1.6%	▲	2.1%	▲
S&P500 (US)	5,223	1.9%	▲	9.5%	▲
FTSE 100 (UK)	8,434	2.7%	▲	9.1%	▲
DJ Stoxx600 (Europe)	521	3.0%	▲	8.7%	▲
Nikkei 225 (Japan)	38,229	0.0%	▼	14.2%	▲
Shanghai Composite (China)	3,155	1.6%	▲	6.0%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.660	-0.1%	▼	-3.1%	▼
EUR/USD	1.077	0.1%	▲	-2.4%	▼
USD/JPY	155.78	1.8%	▲	10.5%	▲
GBP/USD	1.25	-0.2%	▼	-1.6%	▼
US\$ Index	105.30	0.3%	▲	3.9%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	82.79	-0.2%	▼	7.5%	▲
Iron Ore (US\$/t)	116.67	-0.9%	▼	-14.4%	▼
Coking Coal (US\$/t)	205.99	-4.8%	▼	-25.3%	▼
Gold (US\$/oz)	2,360.50	2.6%	▲	14.4%	▲

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