

The week that was

- Economic growth concerns re-emerged in financial markets last week. Less robust data releases, and an increasing focus on asset purchase tapering at key central banks, saw sentiment flip-flop.
- At its September policy meeting, the Reserve Bank of Australia announced it would stick with its decision to taper purchases from \$5bn to \$4bn per week from this month, until at least February 2022. The European Central Bank also announced it will slow the pace of its bond purchases.
- US 10-year bond yields rose 2bps to 1.34% for the week, while German 10-year yields were up 3bps to close at -0.33%. Australian 10-year yields were flat, closing at 1.22%. TCorp's 10-year yield pared back some of its recent rise, down 2bps to 1.63%.
- Equity markets were mixed. The major indices for the US, Australia and Europe fell, with the S&P500 down -1.7%. Japan and China rose, however, with the Nikkei 225 up 4.3% on political tailwinds.
- The Australian dollar gave back most of the prior week's gains, down -1.4% to US\$0.736.

Economic calendar

Monday

13/09

Tuesday

14/09

AU: House prices, Jun qtr, NAB Business Survey, Aug, RBA Governor Lowe speech
US: CPI, Aug

Wednesday

15/09

AU: Consumer Sentiment, Sep
CH: Retail sales, Aug, New home prices, Aug, Industrial production, Aug, Fixed asset investment, Aug, Unemployment rate, Aug
US: Industrial production, Aug

Thursday

16/09

AU: RBA Bulletin, Sep, Employment, Aug
EC: ECB Chief Economist Lane speech
US: Retail sales, Aug, Philadelphia Fed Survey, Sep

Friday

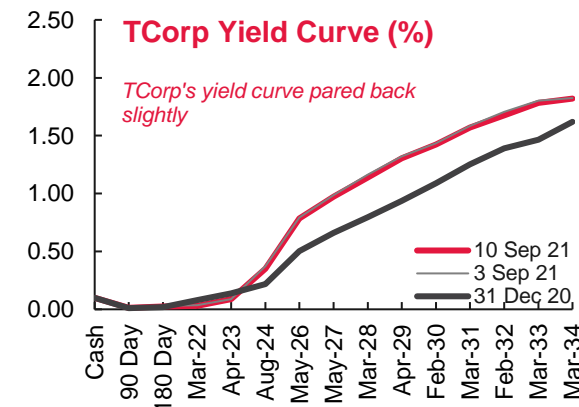
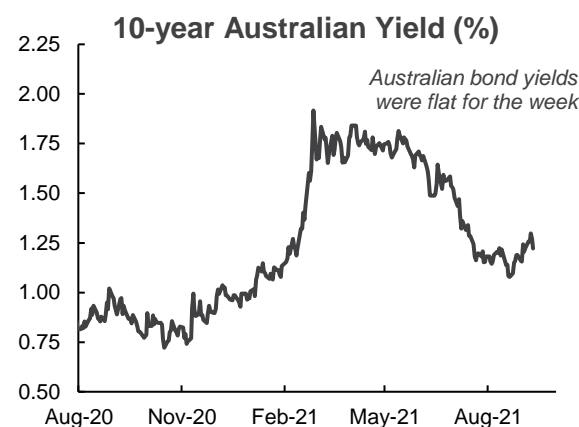
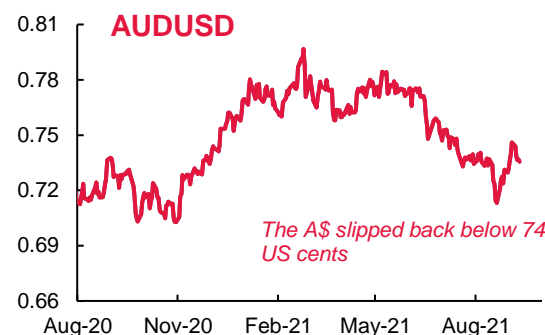
17/09

US: University of Michigan Survey, Sep (prelim)

The week ahead

- US CPI, retail sales and production releases this week are key. These will provide new information for the US Federal Reserve ahead of its September policy meeting, when the central bank is expected to communicate more on its asset purchase tapering plans.
- In Australia, the employment report for August, and business and consumer surveys, will be important to gauge the depth of the drop in activity in Q3.

Financial markets charts



Financial markets data: Week ending 10 September 2021

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.01	0	▼	0	▲
3-year Australian Bond Yield	0.26	-2	▼	16	▲
10-year Australian Bond Yield	1.22	0	▼	25	▲
20-year Australian Bond Yield	1.90	1	▲	19	▲
10-year Australian Break-Even Inflation	2.02	1	▲	25	▲
10-year Australian Real Yield	-0.79	-1	▼	0	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	0.21	1	▲	9	▲
10-year US Treasury Yield	1.34	2	▲	43	▲
30-year US Treasury Yield	1.93	-1	▼	29	▲
10-year German Bund Yield	-0.33	3	▲	24	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.03	-1	▼	-5	▼
4.00% 20 April 2023	0.09	0	▲	-5	▼
1.00% 8 February 2024	0.24	-1	▼	5	▲
5.00% 20 August 2024	0.35	-2	▼	13	▲
4.00% 20 May 2026	0.78	-1	▼	28	▲
3.00% 20 May 2027	0.97	-1	▼	31	▲
3.00% 20 March 2028	1.14	-3	▼	34	▲
3.00% 20 April 2029	1.31	-2	▼	37	▲
3.00% 20 February 2030	1.42	-1	▼	33	▲
2.00% 20 March 2031	1.57	-2	▼	32	▲
1.50% 20 February 2032	1.67	-3	▼	28	▲
2.00% 8 March 2033	1.78	-2	▼	32	▲
3.50% 20 March 2034	1.82	-1	▼	20	▲
2.75% 20 November 2025 CIB	-1.27	-2	▼	-16	▼
2.50% 20 November 2035 CIB	-0.07	0	—	2	▲
10-year NSW TCorp Bond Yield	1.63	-2	▼	39	▲
10-year TCV (Victoria) Spread	-0.02	0	▲	-4	▼
10-year QTC (Queensland) Spread	-0.05	0	—	-1	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,407	-1.5%	▼	12.4%	▲
S&P500 (US)	4,459	-1.7%	▼	18.7%	▲
FTSE 100 (UK)	7,029	-1.5%	▼	8.8%	▲
DJ Stoxx 600 (Europe)	466	-1.2%	▼	16.9%	▲
Nikkei 225 (Japan)	30,382	4.3%	▲	10.7%	▲
Shanghai Composite (China)	3,703	3.4%	▲	6.6%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.736	-1.4%	▼	-4.4%	▼
EUR/USD	1.181	-0.6%	▼	-3.3%	▼
USD/JPY	109.94	0.2%	▲	6.5%	▲
GBP/USD	1.38	-0.2%	▼	1.2%	▲
US\$ Index	92.58	0.6%	▲	2.9%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	72.92	0.4%	▲	40.8%	▲
Iron Ore (US\$/t)	128.40	-10.2%	▼	-18.9%	▼
Coking Coal (US\$/t)	3,573.50	11.9%	▲	138.2%	▲
Gold (US\$/oz)	1,787.58	-2.2%	▼	-5.8%	▼

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