

## The week that was

- Russia's assault on Ukraine further escalated last week and was the dominant driver of markets. Volatility rose, as geopolitical developments, news on government policy responses globally and energy market worries fed into sentiment.
- Outside of the crisis, US inflation was the key release. Headline inflation jumped to 7.9% year-on-year, the highest in 40 years, with core inflation was also strong at 6.4%. Food and energy costs lead overall gains, with rents also key.
- Global bond yields rebounded as inflation fears spiked. The US 10-year yield rose 26bps to 1.99%, and the German 10-year yield jumped 32bps to 0.25%. Australian 10-year yields were up 25bps to 2.40%. TCorp's 10-year yield gained 23bps to 2.76%.
- Equities finished mixed, amid a highly volatile week. Europe's Stoxx600 rose 2.2% and the FTSE100 2.4%, in relief rallies. The S&P500 lost 2.9%. The ASX200 was down 0.7%, cushioned by high energy and commodity prices.
- The Australian dollar softened 1.0%, to US\$0.729. Brent crude also ended lower, down 4.6% but remained a very strong US\$112.67 per barrel.

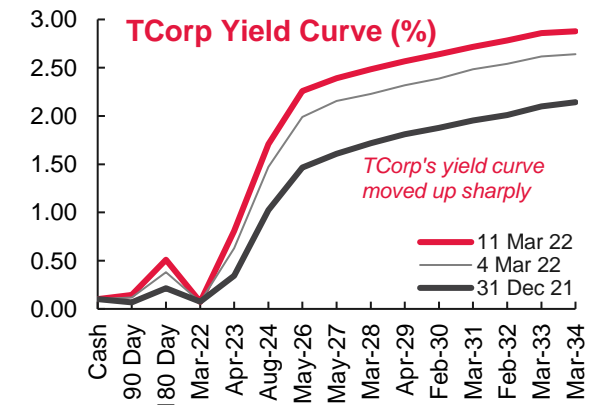
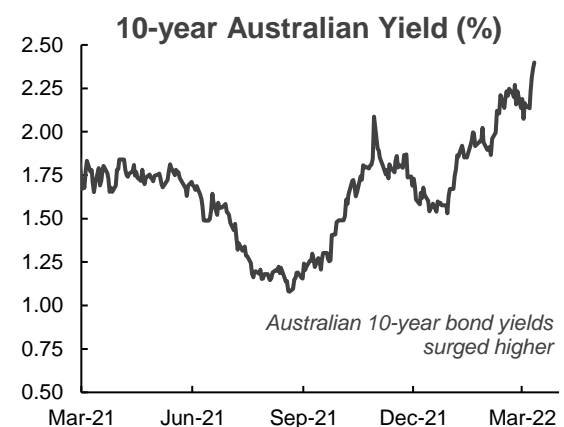
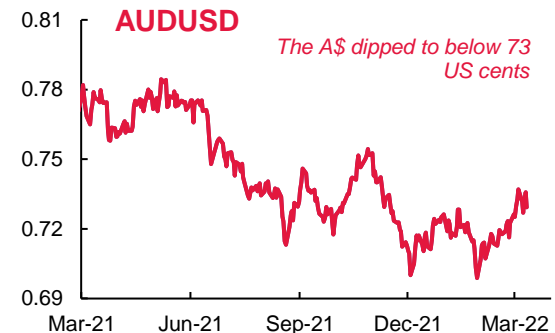
## Economic calendar

<b>Monday 14/03</b>	
<b>Tuesday 15/03</b>	AU: House prices, Dec qtr, RBA meeting minutes, Mar CH: Property investment, Fixed asset investment, Industrial production, Retail sales, Jobless rate, Feb US: PPI, Feb
<b>Wednesday 16/03</b>	AU: Westpac leading index, Feb CH: New house prices, Feb US: Retail sales, Feb US: Import and export prices, Feb
<b>Thursday 17/03</b>	AU: Employment, Feb UK: Bank of England rate decision, Mar US: Federal Reserve rate decision, Mar, Business inventories, Jan, NAHB house price index, Feb, Housing starts, Feb, Building permits, Feb
<b>Friday 18/03</b>	US: Industrial production, Feb, Capacity utilisation, Feb

## The week ahead

- Markets will focus on the US Federal Reserve policy decision, due Thursday Australian time. The Fed is widely expected to hike rates at this meeting, with forecasts brought in sharply from 50bps to a 25bps hike. More information on the Fed's plans for quantitative tightening will also be of keen interest.

## Financial markets charts



## Financial markets data: Week ending 11 March 2022

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.15	3	▲	8	▲
3-year Australian Bond Yield	1.81	25	▲	90	▲
10-year Australian Bond Yield	2.40	25	▲	73	▲
20-year Australian Bond Yield	2.83	21	▲	56	▲
10-year Australian Break-Even Inflation	2.51	9	▲	24	▲
10-year Australian Real Yield	-0.11	16	▲	49	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	1.75	27	▲	102	▲
10-year US Treasury Yield	1.99	26	▲	48	▲
30-year US Treasury Yield	2.35	20	▲	45	▲
10-year German Bund Yield	0.25	32	▲	43	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.07	0	—	0	▼
4.00% 20 April 2023	0.81	18	▲	46	▲
1.00% 8 February 2024	1.46	22	▲	63	▲
5.00% 20 August 2024	1.71	24	▲	69	▲
4.00% 20 May 2026	2.26	27	▲	79	▲
3.00% 20 May 2027	2.39	24	▲	79	▲
3.00% 20 March 2028	2.49	26	▲	77	▲
3.00% 20 April 2029	2.57	25	▲	76	▲
3.00% 20 February 2030	2.64	25	▲	76	▲
2.00% 20 March 2031	2.72	24	▲	77	▲
1.50% 20 February 2032	2.78	24	▲	77	▲
2.00% 8 March 2033	2.86	24	▲	76	▲
3.50% 20 March 2034	2.88	24	▲	74	▲
2.75% 20 November 2025 CIB	-1.04	16	▲	0	▼
2.50% 20 November 2035 CIB	0.52	17	▲	49	▲
10-year NSW TCorp Bond Yield	2.76	23	▲	78	▲
10-year TCV (Victoria) Spread	0.02	0	—	-1	▼
10-year QTC (Queensland) Spread	-0.01	1	▲	-2	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,064	-0.7%	▼	-5.1%	▼
S&P500 (US)	4,204	-2.9%	▼	-11.8%	▼
FTSE100 (UK)	7,156	2.4%	▲	-3.1%	▼
DJ Stoxx600 (Europe)	431	2.2%	▲	-11.6%	▼
Nikkei 225 (Japan)	25,163	-3.2%	▼	-12.6%	▼
Shanghai Composite (China)	3,310	-4.0%	▼	-9.1%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.729	-1.0%	▼	0.4%	▲
EUR/USD	1.091	-0.1%	▼	-4.0%	▼
USD/JPY	117.29	2.2%	▲	1.9%	▲
GBP/USD	1.30	-1.5%	▼	-3.7%	▼
US\$ Index	99.12	0.5%	▲	3.6%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	112.67	-4.6%	▼	44.9%	▲
Iron Ore (US\$/t)	157.61	0.5%	▲	30.2%	▲
Coking Coal (US\$/t)	3,414.50	21.7%	▲	66.3%	▲
Gold (US\$/oz)	1,988.46	0.9%	▲	8.7%	▲

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