

The week that was

- The US and China made some positive gestures last week amidst the ongoing trade dispute. China announced a small proportion of US goods would be exempt from tariffs. In return, President Trump said he would postpone the scheduled 5% extra tariff on \$250bn of Chinese imports from 1 Oct to 15 Oct.
- The European Central Bank (ECB) announced a comprehensive policy package to stimulate the eurozone economy. It cut interest rates to a new record low of -0.5% and restarted its Quantitative Easing program. The central bank also announced an array of other unconventional monetary policies.
- Renewed trade optimism and ECB action together pushed equities higher while bond prices continued their sharp retreat. The S&P500 was up 1.0% while Europe (1.2%), Japan (3.7%) and the UK (1.2%) also closed higher. US 10-year bond yields gained a whopping 34bps to 1.9% while German 10-year Bund rose 19bps to -0.45%. Australia experienced less action, with the ASX200 up 0.3% and Australian 10-year bond yields rising 7bps to 1.16%.
- US economic data were solid over the last week. Inflation was at its highest rate since July 2018, with the core CPI growing 2.4% year-on-year. Retail sales grew stronger than expected at 0.4% in August while consumer sentiment also picked up slightly from its previous 3-year low.
- Confidence in the Australian economy dipped last week. Business conditions and confidence both slipped to 1 index point in August, while consumer confidence eased slightly to 98 index points.

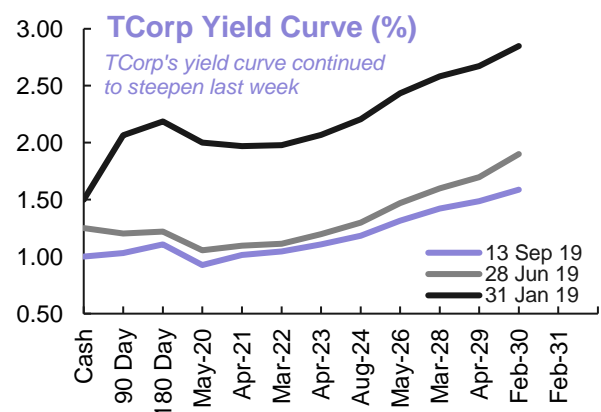
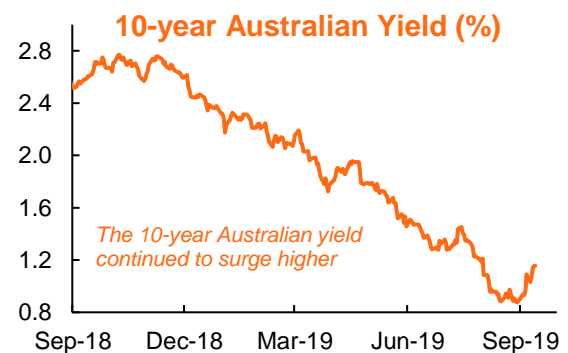
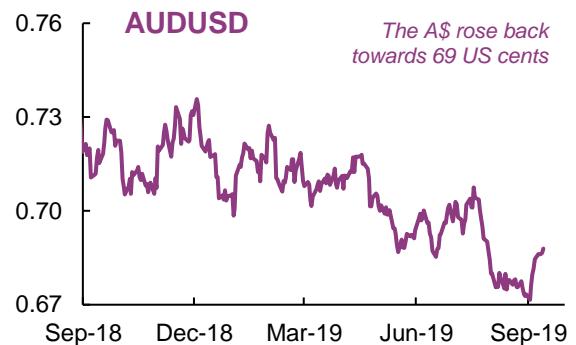
Economic calendar

Monday 16/09	CH: Monthly retail sales/IP/FAI
Tuesday 17/09	GE: ZEW survey
Thursday 19/09	US: FOMC monetary policy meeting JP: BoJ monetary policy meeting UK: BoE monetary policy meeting AU: Labour force survey

The week ahead

- A trio of central bank policy meetings – the BoE, the BoJ and the US Fed Reserve – will keep global investors on their toes later this week. The monthly data download from China on Monday will also be of interest.
- In Australia, the labour force survey on Thursday will be the focus.

Financial markets charts



Financial markets data: Week ending 13 September 2019

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	1.00	0	—	-50	▼
90-day BBSW	1.03	3	▲	-106	▼
3-year Australian Bond Yield	0.89	7	▲	-96	▼
10-year Australian Bond Yield	1.16	7	▲	-116	▼
20-year Australian Bond Yield	1.55	6	▲	-113	▼
10-year Australian Break-Even Inflation	1.19	2	▲	-45	▼
10-year Australian Real Yield	-0.03	5	▲	-71	▼
Fed Funds Rate (lower bound)	2.00	0	—	-25	—
2-year US Treasury Yield	1.80	26	▲	-69	▼
10-year US Treasury Yield	1.90	34	▲	-79	▼
30-year US Treasury Yield	2.37	35	▲	-64	▼
10-year German Bund Yield	-0.45	19	▲	-69	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 May 2020	0.93	-1	▼	-110	▼
4.00% 8 April 2021	1.01	4	▲	-101	▼
6.00% 1 March 2022	1.05	6	▲	-100	▼
4.00% 20 April 2023	1.11	7	▲	-107	▼
5.00% 20 August 2024	1.18	6	▲	-114	▼
4.00% 20 May 2026	1.31	4	▲	-122	▼
3.00% 20 May 2027	1.42	5	▲	-124	▼
3.00% 20 March 2028	1.49	3	▲	-125	▼
3.00% 20 April 2029	1.59	3	▲	-126	▼
3.00% 20 February 2030	1.65	3	▲	-125	▼
3.75% 20 August 2020 CIB	-0.12	0	▼	-78	▼
2.75% 20 November 2025 CIB	0.17	6	▲	-76	▼
2.50% 20 November 2035 CIB	0.70	11	▲	-54	▼
10-year NSW TCorp Bond Yield	1.64	3	▲	-118	▼
10-year TCV (Victoria) Spread	-0.02	1	▲	3	▲
10-year QTC (Queensland) Spread	0.03	0	▲	-4	▼
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	6,669	0.3%	▲	18.1%	▲
S&P 500 (US)	3,007	1.0%	▲	20.0%	▲
FTSE 100 (UK)	7,367	1.2%	▲	9.5%	▲
DJ Stoxx 600 (Europe)	392	1.2%	▲	16.0%	▲
Nikkei 225 (Japan)	21,988	3.7%	▲	9.9%	▲
Shanghai Composite (China)	3,031	1.1%	▲	21.5%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.688	0.5%	▲	-2.4%	▼
EUR/USD	1.107	0.4%	▲	-3.4%	▼
USD/JPY	108.09	1.1%	▲	-1.5%	▼
GBP/USD	1.25	1.8%	▲	-2.0%	▼
US\$ Index	98.26	-0.1%	▼	2.2%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	60.22	-2.1%	▼	11.9%	▲
Iron Ore (US\$/t)	96.54	7.9%	▲	35.7%	▲
Coking Coal (US\$/t)	1,677.00	13.0%	▲	16.1%	▲
Gold (US\$/oz)	1,488.53	-1.2%	▼	16.1%	▲

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