

Financial markets charts

The week that was

- US bond yields fell sharply as inflation surprised to the downside in May, indicating that price pressures in the economy are continuing to ease. However, the US Federal Reserve (Fed) wants more evidence that inflation is falling sustainably towards target before cutting rates. Compared to a few months ago, the Fed now expects it will cut rates only once in 2024, instead of 3 cuts. US 10-year bond yields ended the week 21bps lower and the S&P500 rose by 1.6%, led by strong gains in technology stocks.
- Australian bond yields fell 10bps, dragged lower by the fall in global bond yields. Local data did not drive Australian financial markets but showed Australia's labour market continued to loosen in May. Survey data also suggested that the economy remained weak in the June quarter, and potentially softened further. The ASX200 fell by 1.7%, weighed down by mining stocks.
- The Bank of Japan announced that it will reduce the pace of its government bond purchases but will only provide details at its meeting in July. This is unlikely to have an immediate impact on markets, but lower bond purchases could put upward pressure on Japanese (and global) bond yields.

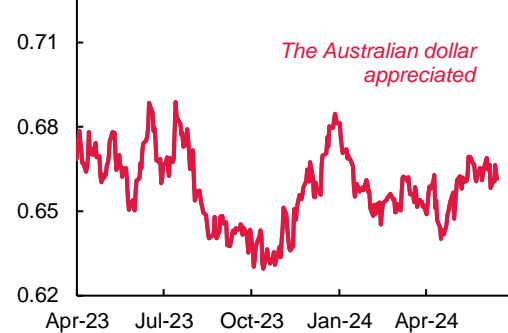
Economic calendar

Monday 17/06	CH: Monthly activity data, May US: Empire Manufacturing, Jun
Tuesday 18/06	AU: RBA Board meeting; NSW Government 2024/25 Budget US: Retail sales, May EC: CPI, May (final)
Wednesday 19/06	UK: CPI, May
Thursday 20/06	UK: Bank of England policy meeting Switzerland: Central bank meeting
Friday 21/06	Global: PMIs, May (preliminary) JP: National CPI, May

The week ahead

- The Reserve Bank of Australia (RBA) Board is expected to leave interest rates unchanged. Recent economic data has been broadly consistent with the RBA's expectations.
- In line with the RBA's latest forecasts, the recent minimum wage decision is likely to provide the RBA with greater confidence in their inflation forecasts.
- The NSW Government will release its 2024-25 Budget on Tuesday.
- Offshore, Swiss monetary policymakers will review their stance after they cut their policy interest rate in March. Attention will also be on indications of how close the Bank of England is to cutting rates.

AUD/USD



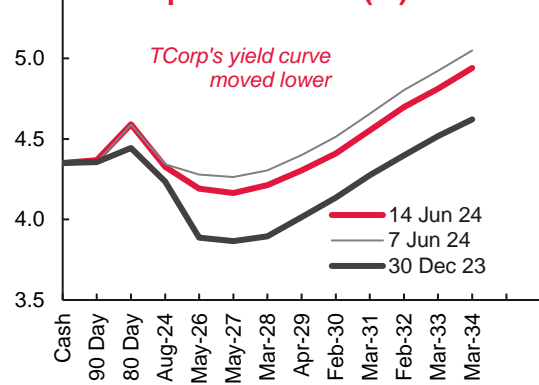
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 14 June 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.37	1	▲	1	▲
3-year Australian Bond Yield	3.81	-8	▼	20	▲
10-year Australian Bond Yield	4.12	-10	▼	17	▲
20-year Australian Bond Yield	4.42	-9	▼	17	▲
10-year Australian Break-Even Inflation	2.34	-4	▼	-24	▼
10-year Australian Real Yield	1.79	-6	▼	40	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.70	-18	▼	45	▲
10-year US Treasury Yield	4.22	-21	▼	34	▲
30-year US Treasury Yield	4.35	-21	▼	32	▲
10-year German Bund Yield	2.36	-26	▼	34	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.33	-2	▼	9	▲
1.25% 20 March 2025	4.32	-4	▼	29	▲
4.00% 20 May 2026	4.19	-9	▼	30	▲
3.00% 20 May 2027	4.16	-10	▼	30	▲
3.00% 20 March 2028	4.21	-9	▼	32	▲
3.00% 20 April 2029	4.30	-9	▼	29	▲
3.00% 20 February 2030	4.41	-10	▼	27	▲
2.00% 20 March 2031	4.55	-10	▼	28	▲
1.50% 20 February 2032	4.70	-11	▼	30	▲
2.00% 8 March 2033	4.81	-11	▼	29	▲
1.75% 20 March 2034	4.94	-11	▼	32	▲
2.75% 20 November 2025 CIB	1.80	6	▲	74	▲
2.50% 20 November 2035 CIB	2.43	-5	▼	37	▲
10-year NSW TCorp Bond Yield	4.92	-10	▼	37	▲
10-year TCV (Victoria) Spread	0.04	-1	▼	-7	▼
10-year QTC (Queensland) Spread	0.01	1	▲	9	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,724	-1.7%	▼	1.8%	▲
S&P500 (US)	5,432	1.6%	▲	13.9%	▲
FTSE 100 (UK)	8,147	-1.2%	▼	5.3%	▲
DJ Stoxx600 (Europe)	511	-2.4%	▼	6.7%	▲
Nikkei 225 (Japan)	38,815	0.3%	▲	16.0%	▲
Shanghai Composite (China)	3,033	-0.6%	▼	1.9%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.662	0.5%	▲	-2.9%	▼
EUR/USD	1.070	-0.9%	▼	-3.0%	▼
USD/JPY	157.40	0.4%	▲	11.6%	▲
GBP/USD	1.27	-0.3%	▼	-0.3%	▼
US\$ Index	105.55	0.6%	▲	4.2%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	82.62	3.8%	▲	7.2%	▲
Iron Ore (US\$/t)	107.46	-1.1%	▼	-21.2%	▼
Coking Coal (US\$/t)	166.42	-0.1%	▼	-39.6%	▼
Gold (US\$/oz)	2,333.04	1.7%	▲	13.1%	▲

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