

### The week that was

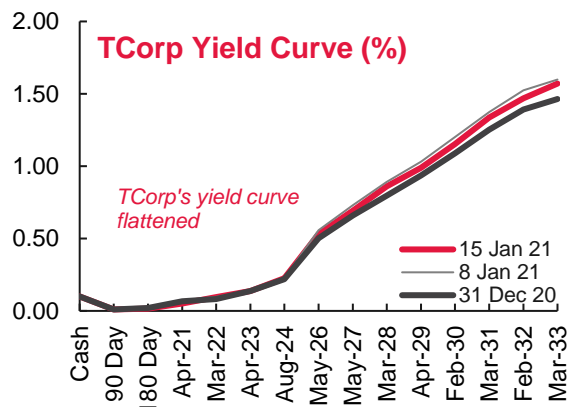
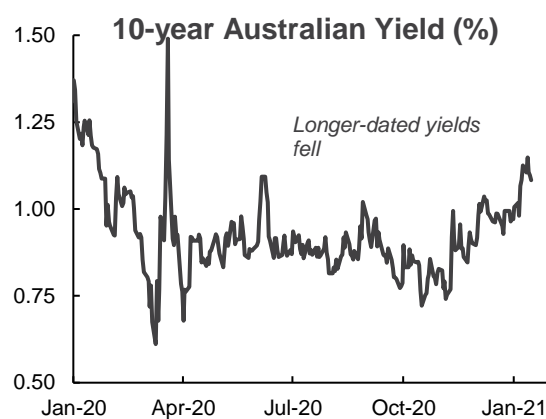
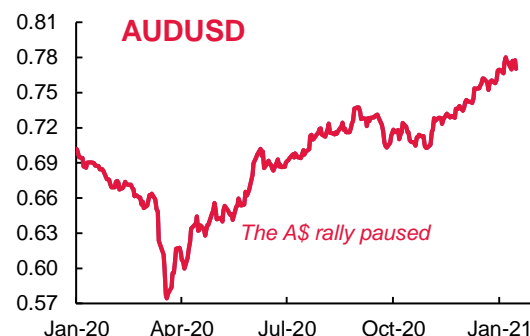
- After the strong start to the year, there was a reality check for global markets last week. Patchy data confirmed that the US and European economies lost momentum at the end of last year, as COVID-19 case numbers rose. Also, central bank officials said economies would likely be too weak for them to start withdrawing monetary policy support this year.
- The US S&P500 fell 1.5%, reversing much of last week's gain. European stocks were mostly lower, with the DJ Stoxx600 down 0.8%. The Australian stock market reversed too, and the ASX/S&P 200 dropped 0.6%. Commodity prices also were affected by the more sober mood; Brent oil fell 1.9% although iron ore held its ground (+0.2%). The AUD fell 0.7% against the USD, ending at 0.77.
- Central bankers' arguments for keeping interest rates low this year helped pause the sell-off in bond markets – US 10-year yields fell 3bps, and AU 10-years fell 4bps, flattening the yield curve.

### Economic calendar

<b>Monday</b> 18/1	CH: GDP, Q4 US: Markets closed: MLK Day
<b>Tuesday</b> 19/1	AU: Payroll jobs & wages, Jan 2 EU: ZEW investor expectations, Jan
<b>Wednesday</b> 20/1	AU: Consumer sentiment, Dec US: President Biden inauguration
<b>Thursday</b> 21/1	AU: Labour force, Dec EU: ECB monetary policy meeting
<b>Friday</b> 22/1	EU: Purchasing manager indexes, Jan US: Purchasing manager indexes, Jan

### The week ahead

- Chinese economic data will set the tone early in the week, with US markets closed for Martin Luther King Jr public holiday. Investors will look for signs of China's growth faltering as COVID-19 cases rise.
- Thereafter, President Biden's inauguration and plans for supporting the US economy and combatting COVID-19 will take precedence.
- Central bankers in the EU (ECB) and in Japan (BoJ) will decide if the latest wave of the pandemic warrants additional monetary stimulus.
- In Australia, job market data will give a reading on the local economy's pulse rate. The effect of the Sydney lockdown should show up in the payrolls release on Tuesday. Thursday's full labour market release for December is expected to confirm a broader recovery in employment, albeit with lots of people still looking for jobs, or more hours in their current job.



## Financial markets data: Week ending 15 January 2020

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.01	-1	▼	0	—
3-year Australian Bond Yield	0.10	-1	▼	0	▼
10-year Australian Bond Yield	1.08	-4	▼	11	▲
20-year Australian Bond Yield	1.85	-6	▼	14	▲
10-year Australian Break-Even Inflation	1.82	-1	▼	5	▲
10-year Australian Real Yield	-0.74	-3	▼	6	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	0.13	0	▲	1	▲
10-year US Treasury Yield	1.08	-3	▼	17	▲
30-year US Treasury Yield	1.83	-4	▼	19	▲
10-year German Bund Yield	-0.54	-2	▼	3	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 8 April 2021	0.05	-2	▼	-2	▼
6.00% 1 March 2022	0.10	0	▼	2	▲
4.00% 20 April 2023	0.14	0	▼	0	▼
1.00% 8 February 2024	0.20	-1	▼	0	▲
5.00% 20 August 2024	0.23	0	▼	1	▲
4.00% 20 May 2026	0.53	-3	▼	3	▲
3.00% 20 May 2027	0.69	-4	▼	3	▲
3.00% 20 March 2028	0.86	-3	▼	6	▲
3.00% 20 April 2029	0.99	-4	▼	5	▲
3.00% 20 February 2030	1.15	-5	▼	7	▲
2.00% 20 March 2031	1.34	-4	▼	8	▲
2.00% 20 March 2032	1.57	-3	▼	11	▲
2.00% 20 March 2033	1.73	1	▲	12	▲
2.75% 20 November 2025 CIB	-1.14	1	▲	-4	▼
2.50% 20 November 2035 CIB	-0.04	0	—	5	▲
10-year NSW TCorp Bond Yield	1.33	-4	▼	9	▲
10-year TCV (Victoria) Spread	0.01	-1	▼	-1	▼
10-year QTC (Queensland) Spread	-0.05	-1	▼	-1	▼
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	6,715	-0.6%	▼	1.9%	▲
S&P 500 (US)	3,768	-1.5%	▼	0.3%	▲
FTSE 100 (UK)	6,736	-2.0%	▼	4.3%	▲
DJ Stoxx 600 (Europe)	408	-0.8%	▼	2.2%	▲
Nikkei 225 (Japan)	28,519	1.4%	▲	3.9%	▲
Shanghai Composite (China)	3,566	-0.1%	▼	2.7%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.770	-0.7%	▼	0.1%	▲
EUR/USD	1.208	-1.1%	▼	-1.1%	▼
USD/JPY	103.85	-0.1%	▼	0.6%	▲
GBP/USD	1.36	0.2%	▲	-0.6%	▼
US\$ Index	90.78	0.8%	▲	0.9%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	54.91	-1.9%	▼	6.0%	▲
Iron Ore (US\$/t)	170.15	0.2%	▲	9.2%	▲
Coking Coal (US\$/t)	1,603.00	-0.1%	▼	6.8%	▲
Gold (US\$/oz)	1,828.45	-1.1%	▼	-3.7%	▼

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