

Financial markets charts

The week that was

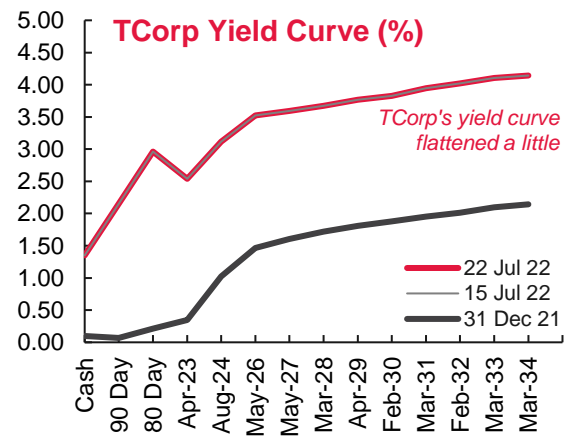
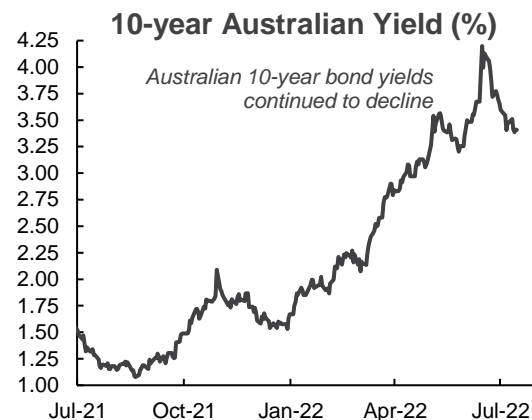
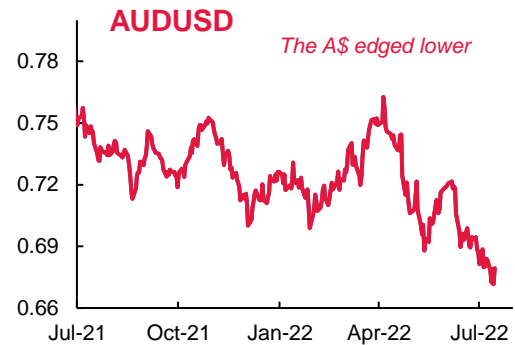
- Equity markets rose strongly last week despite some weaker economic data and the European Central Bank's decision to raise its policy rate by a larger-than-expected 0.5%.
- Stock markets in Australia, the EU and US all rose between 2.5% and 2.9%, while Japanese shares rose by 4.2%. The Bank of Japan is the only major central bank yet to tighten monetary policy this year.
- Bond markets were mixed. Australian 10-year bond yields rose 3bps while the 3-year bond yield rose by 11bps following more hawkish commentary from Reserve Bank of Australia (RBA) policymakers.
- In contrast, US 10-year bond yields fell by 16bps while German 10-year yields dropped by 10bps. While both the US and European central banks are still vowing to continue raising interest rates, investors are increasingly focusing on the deteriorating growth outlook.
- These risks were highlighted by Purchasing Managers' Indexes released last week, which suggested that US services activity contracted in July while European activity stalled.

Economic calendar

Monday 25/07	EU: German IFO survey, Jul
Tuesday 26/07	US: New home sales, Jun
Wednesday 27/07	AU: Inflation, Q2 US: Fed rate decision
Thursday 28/07	AU: Retail sales, Jun US: GDP, Q2
Friday 29/07	EU: GDP, Q2; CPI, Jul US: PCE price deflator, Jun

The week ahead

- Australian inflation will be the crucial domestic data release this week, as it is likely to influence how aggressively the RBA raises interest rates at its upcoming August policy meeting. If prices rise by more than 2% in the June quarter many investors will anticipate that the RBA could raise rates by 75bps.
- The US central bank is also meeting this week, with most analysts expecting them to raise the policy rate by 75bps. Investors will also closely monitor commentary from Fed officials to see if they are concerned about waning momentum and whether they may slow the pace of rate hikes in coming months.



Financial markets data: Week ending 22 July 2022

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	1.35	0	—	125	▲
90-day BBSW	2.24	9	▲	217	▲
3-year Australian Bond Yield	3.09	11	▲	218	▲
10-year Australian Bond Yield	3.44	3	▲	177	▲
20-year Australian Bond Yield	3.71	4	▲	144	▲
10-year Australian Break-Even Inflation	2.15	4	▲	-12	▼
10-year Australian Real Yield	1.29	0	▼	189	▲
Fed Funds Rate (lower bound)	1.50	0	—	150	▲
2-year US Treasury Yield	2.97	-15	▼	224	▲
10-year US Treasury Yield	2.75	-16	▼	124	▲
30-year US Treasury Yield	2.97	-10	▼	107	▲
10-year German Bund Yield	1.03	-10	▼	121	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 April 2023	2.65	11	▲	231	▲
1.00% 8 February 2024	3.04	11	▲	221	▲
5.00% 20 August 2024	3.24	12	▲	222	▲
1.25% 20 March 2025	3.42	6	▲	219	▲
4.00% 20 May 2026	3.59	7	▲	213	▲
3.00% 20 May 2027	3.67	8	▲	207	▲
3.00% 20 March 2028	3.73	6	▲	202	▲
3.00% 20 April 2029	3.81	4	▲	200	▲
3.00% 20 February 2030	3.87	4	▲	199	▲
2.00% 20 March 2031	3.96	2	▲	201	▲
1.50% 20 February 2032	4.04	2	▲	203	▲
2.00% 8 March 2033	4.15	4	▲	205	▲
3.50% 20 March 2034	4.19	4	▲	204	▲
2.75% 20 November 2025 CIB	0.00	11	▲	103	▲
2.50% 20 November 2035 CIB	1.87	-4	▼	183	▲
10-year NSW TCorp Bond Yield	4.05	4	▲	208	▲
10-year TCV (Victoria) Spread	-0.01	-1	▼	-5	▼
10-year QTC (Queensland) Spread	-0.08	0	▼	-10	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,792	2.8%	▲	-8.8%	▼
S&P500 (US)	3,962	2.5%	▲	-16.9%	▼
FTSE 100 (UK)	7,276	1.6%	▲	-1.5%	▼
DJ Stoxx 600 (Europe)	426	2.9%	▲	-12.7%	▼
Nikkei 225 (Japan)	27,915	4.2%	▲	-3.0%	▼
Shanghai Composite (China)	3,270	1.3%	▲	-10.2%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.693	2.0%	▲	-4.6%	▼
EUR/USD	1.021	1.3%	▲	-10.2%	▼
USD/JPY	136.12	-1.8%	▼	18.3%	▲
GBP/USD	1.20	1.2%	▲	-11.3%	▼
US\$ Index	106.73	-1.2%	▼	11.6%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	103.20	2.0%	▲	32.7%	▲
Iron Ore (US\$/t)	104.46	1.3%	▲	-7.1%	▼
Coking Coal (US\$/t)	2,349.00	-4.1%	▼	14.4%	▲
Gold (US\$/oz)	1,727.64	1.1%	▲	-5.6%	▼

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