

Financial markets charts

The week that was

- US consumer and producer price inflation in February was stronger than expected. Bond yields rose because investors believe this data will reduce the likelihood that the US Federal Reserve (Fed) will start to cut interest rates in June. US 10-year yields ended the week 23bps higher.
- Bond yields in other advanced economies also rose last week, with Australian 10-year yields 16bps higher. While the S&P500 ended the week little changed, the ASX200 fell 2.3%, weighed down by mining and financial stocks.
- Initial results from Japan's annual Shunto wage negotiations saw larger-than-expected wage rises. Investors have interpreted this as increasing the likelihood that the Bank of Japan will adjust its monetary policy settings at its meeting this week, including ending its negative interest rate policy.
- Iron ore prices fell almost 9% last week, to be 22% lower since the start of this year, reflecting concerns about weaker steel demand from China.
- Oil prices rose 4% last week and are up 11% since the start of 2024, as stronger oil demand has increased expectations of a supply deficit this year.

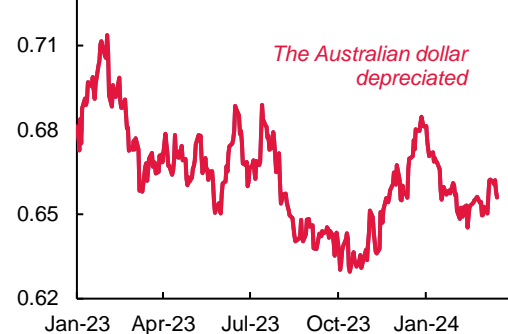
Economic calendar

Monday 18/03	CH: Monthly activity indicators, Feb EC: CPI, Feb (final)
Tuesday 19/03	AU: RBA policy decision JP: Bank of Japan policy decision US: Building permits, Feb; Housing starts, Feb CA: CPI, Feb
Wednesday 20/03	UK: CPI, Feb
Thursday 21/03	US: Federal Reserve policy decision UK: Bank of England policy decision AU: Labour force data, Feb Global: PMIs, March (prelim)
Friday 22/03	US: Existing home sales, Feb JP: National CPI, February

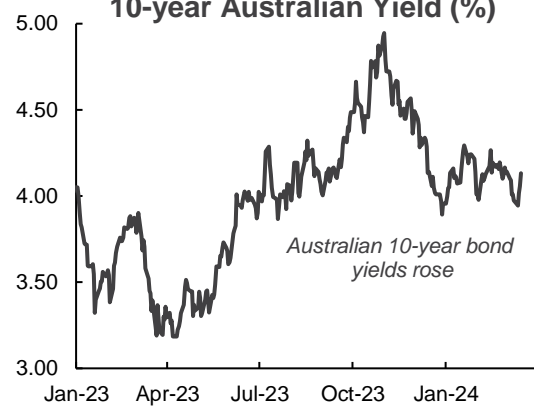
The week ahead

- Central bank policy decisions will be in focus. Japan's policy decision is seen as 'live', and the Fed will release updated economic forecasts. Locally, the Reserve Bank of Australia is expected to keep rates on hold and is unlikely to discuss rate cuts or meaningfully change its forward guidance.
- Australian labour market data for February will be closely watched as the labour market has been gradually weakening.
- Inflation data in several countries and global PMI indexes will provide updated reads on price pressures and economic activity.

AUD/USD



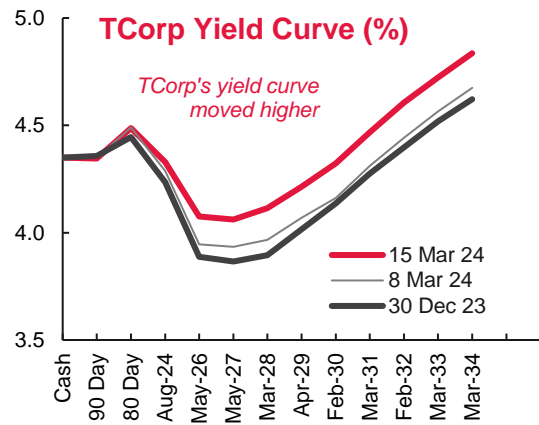
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 15 March 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.34	-1	▼	-1	▼
3-year Australian Bond Yield	3.74	13	▲	13	▲
10-year Australian Bond Yield	4.13	16	▲	18	▲
20-year Australian Bond Yield	4.43	16	▲	19	▲
10-year Australian Break-Even Inflation	2.53	7	▲	-4	▼
10-year Australian Real Yield	1.60	8	▲	22	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.73	25	▲	48	▲
10-year US Treasury Yield	4.31	23	▲	43	▲
30-year US Treasury Yield	4.43	18	▲	40	▲
10-year German Bund Yield	2.44	18	▲	42	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.33	4	▲	9	▲
1.25% 20 March 2025	4.25	9	▲	22	▲
4.00% 20 May 2026	4.08	13	▲	19	▲
3.00% 20 May 2027	4.06	13	▲	20	▲
3.00% 20 March 2028	4.11	15	▲	22	▲
3.00% 20 April 2029	4.21	14	▲	20	▲
3.00% 20 February 2030	4.32	16	▲	19	▲
2.00% 20 March 2031	4.47	16	▲	19	▲
1.50% 20 February 2032	4.61	16	▲	21	▲
2.00% 8 March 2033	4.72	16	▲	20	▲
1.75% 20 March 2034	4.84	16	▲	21	▲
2.75% 20 November 2025 CIB	1.43	12	▲	37	▲
2.50% 20 November 2035 CIB	2.27	9	▲	20	▲
10-year NSW TCorp Bond Yield	4.78	16	▲	22	▲
10-year TCV (Victoria) Spread	0.09	-2	▼	-2	▼
10-year QTC (Queensland) Spread	-0.05	1	▲	4	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,670	-2.3%	▼	1.0%	▲
S&P500 (US)	5,117	-0.1%	▼	7.3%	▲
FTSE 100 (UK)	7,727	0.9%	▲	-0.1%	▼
DJ Stoxx600 (Europe)	505	0.3%	▲	5.4%	▲
Nikkei 225 (Japan)	38,708	-2.5%	▼	15.7%	▲
Shanghai Composite (China)	3,055	0.3%	▲	2.7%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.656	-1.0%	▼	-3.7%	▼
EUR/USD	1.089	-0.5%	▼	-1.4%	▼
USD/JPY	149.04	1.3%	▲	5.7%	▲
GBP/USD	1.27	-0.9%	▼	0.0%	▲
US\$ Index	103.43	0.7%	▲	2.1%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	85.34	4.0%	▲	10.8%	▲
Iron Ore (US\$/t)	106.75	-8.7%	▼	-21.7%	▼
Coking Coal (US\$/t)	208.02	-16.0%	▼	-24.5%	▼
Gold (US\$/oz)	2,155.90	-1.1%	▼	4.5%	▲

Brian Redican
Chief Economist
brian.redican@tcorp.nsw.gov.au

Emily Perry
Senior Economist
emily.perry@tcorp.nsw.gov.au



Level 7, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000, Australia

T +61 2 9325 9325

W www.tcorp.nsw.gov.au

ABN 99 235 825

Disclaimer

The opinions, forecasts and data contained in this report is based on the research of TCorp as at the date of publication and is subject to change without notice. TCorp is not responsible for the accuracy, adequacy, currency or completeness of any information in the report provided by third parties. This report is provided for general information purposes only and should not be relied upon for investment or trading purposes. This report is not intended to forecast or predict future events.

Unauthorised copying and distribution of this material is prohibited.

© New South Wales Treasury Corporation 2024. All rights reserved.

About TCorp

TCorp provides best-in-class investment management, financial management, solutions and advice to the New South Wales (NSW) public sector. With A\$112 billion of assets under management, TCorp is a top 10 Australian investment manager and is the central borrowing authority of the state of NSW, with a balance sheet of A\$168 billion. It is rated Aaa (Stable) by Moody's, AAA (Stable) by Fitch, and AA+ (Stable) by S&P.