

## The week that was

- With intense fighting in Ukraine continuing, hopes for a ceasefire ultimately supported risk assets last week, with equity markets moving higher. The acute pressures in commodity markets, particularly oil, also receded somewhat.
- As widely anticipated, the US Federal Reserve raised its benchmark funds rate, by 25bps to a range between 0.25% and 0.50%. The first rate rise since 2018 was accompanied by hawkish projections from the Fed's committee on the pathway for rates. Chair Jerome Powell commented that the US economy is "very strong" and can handle tighter policy. The Bank of England also announced a 25bps increase in its bank rate, to 0.50%.
- On the back of the Fed decision, global bond yields continued to climb. The US 10-year yield rose 16bps, to 2.16%, and the Australian 10-year yield up 18bps, to 2.58%. The yield on the German 10-year bond rose 12bps, to 0.37%. TCorp's 10-year yield increased 16bps, to 2.91%.
- Equities gained as investor confidence lifted. The US S&P500 surged 6.2%, and Europe's Stoxx600 jumped 5.4%. The ASX200 had a 3.3% gain, impacted by the fall back in commodity prices.
- The Australian dollar rebounded, up 1.7% to US\$0.742.

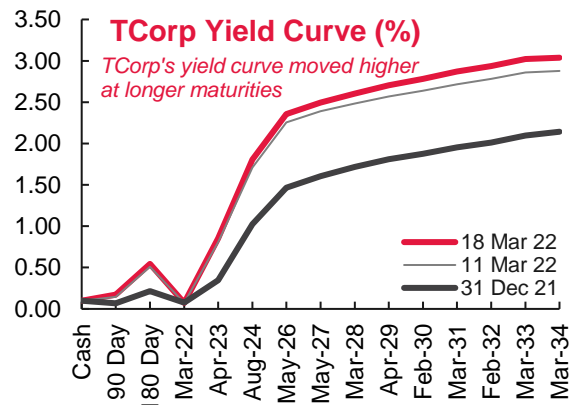
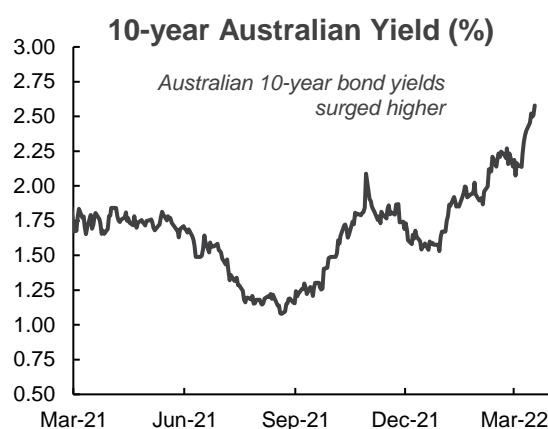
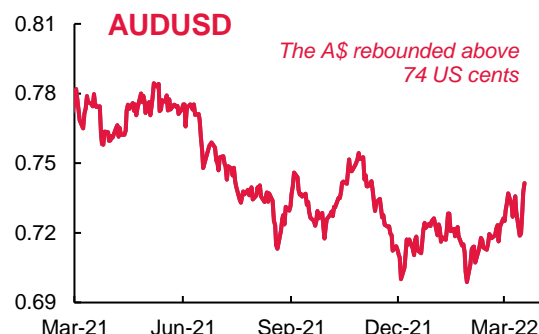
## Economic calendar

<b>Monday 21/03</b>	CH: Prime rate, Mar
<b>Tuesday 22/03</b>	AU: RBA Governor Lowe in panel US: Federal Reserve Chair Powell speech
<b>Wednesday 23/03</b>	EU: ECB President Lagarde speech US: Federal Reserve Chair Powell in panel
<b>Thursday 24/03</b>	EU: Purchasing Managers Indexes US: New home sales, Feb, Durable goods orders, Feb (prelim)
<b>Friday 25/03</b>	US: Pending home sales, Feb, University of Michigan Consumer confidence, Mar (final)

## The week ahead

- Following a blockbuster week, the coming period is expected to be relatively quiet for economic releases. Purchasing managers' indexes will be the main focus.
- Comments from the US Federal Reserve, Australia's Reserve Bank and the European Central Bank will also be closely watched.

## Financial markets charts



## Financial markets data: Week ending 18 March 2022

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.17	3	▲	11	▲
3-year Australian Bond Yield	1.93	11	▲	101	▲
10-year Australian Bond Yield	2.58	18	▲	91	▲
20-year Australian Bond Yield	2.96	14	▲	69	▲
10-year Australian Break-Even Inflation	2.49	-2	▼	22	▲
10-year Australian Real Yield	0.09	20	▲	69	▲
Fed Funds Rate (lower bound)	0.25	25	▲	25	▲
2-year US Treasury Yield	1.94	19	▲	120	▲
10-year US Treasury Yield	2.15	16	▲	64	▲
30-year US Treasury Yield	2.42	7	▲	52	▲
10-year German Bund Yield	0.37	12	▲	55	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.07	0	—	0	▼
4.00% 20 April 2023	0.86	5	▲	51	▲
1.00% 8 February 2024	1.53	8	▲	70	▲
5.00% 20 August 2024	1.81	10	▲	78	▲
4.00% 20 May 2026	2.36	10	▲	89	▲
3.00% 20 May 2027	2.50	11	▲	89	▲
3.00% 20 March 2028	2.60	12	▲	89	▲
3.00% 20 April 2029	2.71	14	▲	90	▲
3.00% 20 February 2030	2.78	14	▲	91	▲
2.00% 20 March 2031	2.87	15	▲	92	▲
1.50% 20 February 2032	2.94	15	▲	93	▲
2.00% 8 March 2033	3.02	17	▲	92	▲
3.50% 20 March 2034	3.04	16	▲	90	▲
2.75% 20 November 2025 CIB	-0.89	15	▲	15	▲
2.50% 20 November 2035 CIB	0.68	16	▲	65	▲
10-year NSW TCorp Bond Yield	2.91	16	▲	94	▲
10-year TCV (Victoria) Spread	0.02	0	▼	-2	▼
10-year QTC (Queensland) Spread	-0.02	-1	▼	-3	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,294	3.3%	▲	-2.0%	▼
S&P500 (US)	4,463	6.2%	▲	-6.4%	▼
FTSE 100 (UK)	7,405	3.5%	▲	0.3%	▲
DJ Stoxx600 (Europe)	455	5.4%	▲	-6.8%	▼
Nikkei 225 (Japan)	26,827	6.6%	▲	-6.8%	▼
Shanghai Composite (China)	3,251	-1.8%	▼	-10.7%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.742	1.7%	▲	2.1%	▲
EUR/USD	1.105	1.3%	▲	-2.8%	▼
USD/JPY	119.17	1.6%	▲	3.6%	▲
GBP/USD	1.32	1.1%	▲	-2.6%	▼
US\$ Index	98.23	-0.9%	▼	2.7%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	107.93	-4.2%	▼	38.8%	▲
Iron Ore (US\$/t)	152.82	-3.0%	▼	26.2%	▲
Coking Coal (US\$/t)	3,274.00	-4.1%	▼	59.4%	▲
Gold (US\$/oz)	1,921.62	-3.4%	▼	5.1%	▲
Gold (US\$/oz)	1,988.46	0.9%	▲	8.7%	▲

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