

Financial markets charts

The week that was

- US 10-year bond yields rose by 10bps last week as Federal Reserve (Fed) officials admitted it could take longer to bring inflation back to target, implying that the Fed will keep interest rates higher for longer. The prospect of delayed rate cuts saw the S&P500 fall by 3%.
- Bond yields in Europe rose alongside those in the US, despite the European Central Bank strongly indicating that a rate cut in June is likely.
- Australian 10-year bond yields were little changed last week, but Australian equities followed the US with the ASX200 down 2.8%. The Australian dollar depreciated by 0.8% to US\$0.64.
- A broad suite of indicators suggests that the Australian labour market continues to loosen, albeit gradually. If the labour market remains tighter than the Reserve Bank of Australia (RBA) expects, this could add upside risks to the outlook for wages growth and inflation.
- China's economy grew more than expected in the March quarter, driven by exports and strong investment in manufacturing and infrastructure. However, property investment fell further, and consumer spending remains sluggish.

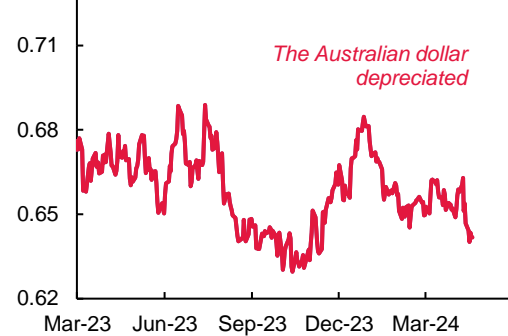
Economic calendar

Monday 22/04	US: Chicago Fed National Activity Index, Mar
Tuesday 23/04	Global: PMIs, April (preliminary)
Wednesday 24/04	AU: CPI, Mar qtr US: New home sales, Mar
Thursday 25/04	US: GDP, Mar qtr (advanced)
Friday 26/04	US: Core PCE deflator, Mar JP: Bank of Japan policy meeting; Tokyo CPI, Apr

The week ahead

- US inflation data will be the focus, with the release of the Fed's preferred inflation measure. This data will help ascertain whether progress in lowering inflation has stalled, which would see US rate cuts delayed. In addition, US GDP data will show how much the US economy grew in the March quarter.
- In Australia, data for the March quarter will show if inflation has continued to moderate in line with the RBA's expectations. The RBA remains attuned to the risk of services price inflation being stickier than expected and delaying the return of inflation to the RBA's 2-3% target range.
- After adjusting its monetary policy settings in March, the Bank of Japan is expected to keep interest rates unchanged. Investors will focus on comments on the outlook for monetary policy and updated economic forecasts, particularly for inflation.

AUD/USD



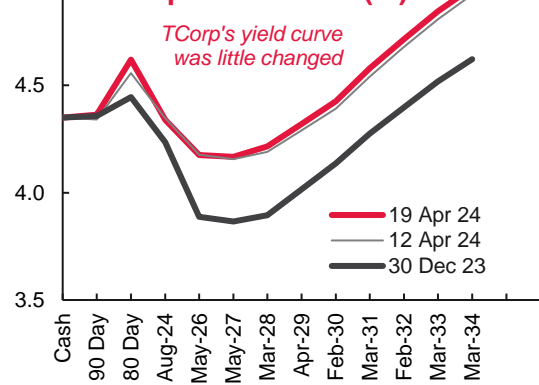
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 19 April 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.36	2	▲	0	▲
3-year Australian Bond Yield	3.83	-2	▼	22	▲
10-year Australian Bond Yield	4.26	-1	▼	30	▲
20-year Australian Bond Yield	4.53	0	▲	29	▲
10-year Australian Break-Even Inflation	2.56	1	▲	-1	▼
10-year Australian Real Yield	1.69	-2	▼	31	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.99	9	▲	74	▲
10-year US Treasury Yield	4.62	10	▲	74	▲
30-year US Treasury Yield	4.71	8	▲	68	▲
10-year German Bund Yield	2.50	14	▲	48	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.34	-1	▼	10	▲
1.25% 20 March 2025	4.30	-1	▼	27	▲
4.00% 20 May 2026	4.18	0	▼	29	▲
3.00% 20 May 2027	4.17	1	▲	30	▲
3.00% 20 March 2028	4.22	3	▲	32	▲
3.00% 20 April 2029	4.32	3	▲	31	▲
3.00% 20 February 2030	4.43	3	▲	29	▲
2.00% 20 March 2031	4.58	4	▲	30	▲
1.50% 20 February 2032	4.71	4	▲	32	▲
2.00% 8 March 2033	4.84	4	▲	33	▲
1.75% 20 March 2034	4.96	3	▲	33	▲
2.75% 20 November 2025 CIB	1.44	-2	▼	37	▲
2.50% 20 November 2035 CIB	2.31	-2	▼	24	▲
10-year NSW TCorp Bond Yield	4.91	4	▲	36	▲
10-year TCV (Victoria) Spread	0.10	1	▲	-1	▼
10-year QTC (Queensland) Spread	-0.02	2	▲	7	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,567	-2.8%	▼	-0.3%	▼
S&P500 (US)	4,967	-3.0%	▼	4.1%	▲
FTSE 100 (UK)	7,896	-1.2%	▼	2.1%	▲
DJ Stoxx600 (Europe)	499	-1.2%	▼	4.2%	▲
Nikkei 225 (Japan)	37,068	-6.2%	▼	10.8%	▲
Shanghai Composite (China)	3,065	1.5%	▲	3.0%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.642	-0.8%	▼	-5.8%	▼
EUR/USD	1.066	0.1%	▲	-3.5%	▼
USD/JPY	154.64	0.9%	▲	9.6%	▲
GBP/USD	1.24	-0.7%	▼	-2.8%	▼
US\$ Index	106.15	0.1%	▲	4.8%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	87.29	-3.5%	▼	13.3%	▲
Iron Ore (US\$/t)	110.89	2.2%	▲	-18.7%	▼
Coking Coal (US\$/t)	234.87	4.3%	▲	-14.8%	▼
Gold (US\$/oz)	2,391.93	2.0%	▲	15.9%	▲

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