

The week that was

- There was more positive news from Moderna and Pfizer on their vaccines, but this was tempered by rising COVID-19 case numbers and disagreement between the US Fed and US Treasury on using stimulus funding.
- The US S&P500 fell 0.8% last week and the EuroStox600 added 1.2%. The ASX S&P200 rose 2.1%, with financials (+6.2%) and energy (+3.1%) leading the way. Commodities also rose – e.g. oil (+5.1%) and iron ore (+2.7%) – lending support to the AUD/USD which increased by 0.4%.
- The TCorp yield curve steepened after the NSW Budget revealed a larger-than-expected total funding requirement of \$36 billion in FY21, to fund increased infrastructure and COVID-19 response measures.

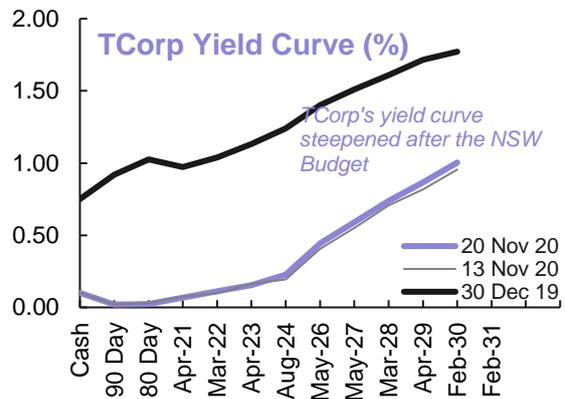
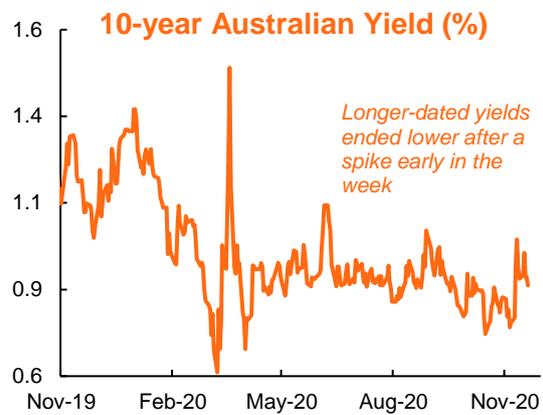
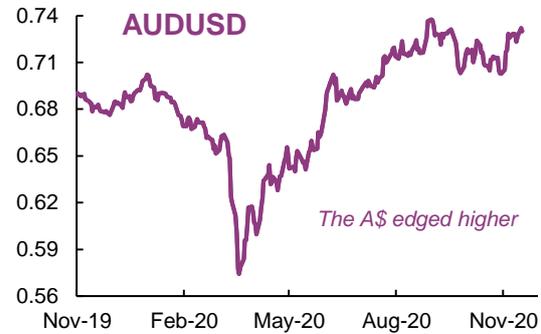
Economic calendar

Monday 23/11	EU: Manufacturing & Services PMIs, Nov US: Manufacturing & Services PMIs, Nov
Tuesday 24/11	AU: RBA Deputy Governor Debelle speaks US: Fed Presidents Bullard, Williams speak
Wednesday 25/11	AU: Construction work done, Q3 US: FOMC 5 November meeting minutes
Thursday 26/11	AU: Private new capital expenditure, Q3 US: Thanksgiving holiday
Friday 27/11	EU: Business & Consumer confidence, Nov

The week ahead

- Economic data will continue to flow, although US markets will be sidelined by the Thanksgiving Day holiday later in the week. In Australia, the key events straddle the middle of the week.
- Manufacturing and services purchasing managers' indexes in EU and US for November will provide a timely snapshot of the economic impact of mobility restrictions, renewed to combat rising COVID-19 cases.
- Many US analysts expect the Federal Reserve to announce further support measures in December and will be looking for information that supports this view in the November FOMC meeting minutes and data releases.
- In Australia, analysts will be tuned into RBA Deputy Governor Debelle's speech on "Monetary Policy in 2020". Data on business capital investment plans for 2020-21 will shed light on one of the weakest parts of the economy.
- The size of Victoria's borrowing program for FY21 will follow the release of the Victorian State Budget on Tuesday.

Financial markets charts



Financial markets data: Week ending 20 November 2020

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	–	-65	▼
90-day BBSW	0.02	0	–	-90	▼
3-year Australian Bond Yield	0.11	-1	▼	-79	▼
10-year Australian Bond Yield	0.86	-2	▼	-51	▼
20-year Australian Bond Yield	1.61	-2	▼	-26	▼
10-year Australian Break-Even Inflation	1.42	3	▲	2	▲
10-year Australian Real Yield	-0.56	-5	▼	-53	▼
Fed Funds Rate (lower bound)	0.00	0	–	-150	▼
2-year US Treasury Yield	0.16	-2	▼	-141	▼
10-year US Treasury Yield	0.82	-7	▼	-109	▼
30-year US Treasury Yield	1.52	-13	▼	-87	▼
10-year German Bund Yield	-0.58	-4	▼	-40	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 8 April 2021	0.07	-1	▼	-93	▼
6.00% 1 March 2022	0.11	2	▲	-95	▼
4.00% 20 April 2023	0.15	-1	▼	-101	▼
1.00% 8 February 2024	0.20	2	▲	-108	▼
5.00% 20 August 2024	0.23	3	▲	-105	▼
4.00% 20 May 2026	0.44	4	▲	-101	▼
3.00% 20 May 2027	0.59	4	▲	-98	▼
3.00% 20 March 2028	0.74	3	▲	-93	▼
3.00% 20 April 2029	0.87	5	▲	-91	▼
3.00% 20 February 2030	1.00	5	▲	-84	▼
2.00% 20 March 2031	1.15	5	▲	-81	▼
2.00% 20 March 2032	1.35	4	▲	n/a	n/a
2.00% 20 March 2033	1.48	2	▲	-72	▼
2.75% 20 November 2025 CIB	-0.76	-9	▼	-85	▼
2.50% 20 November 2035 CIB	0.24	2	▲	n/a	n/a
10-year NSW TCorp Bond Yield	1.13	5	▲	-71	▼
10-year TCV (Victoria) Spread	-0.01	-1	▼	1	▲
10-year QTC (Queensland) Spread	-0.02	-1	▼	-5	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,539	2.1%	▲	-2.2%	▼
S&P500 (US)	3,558	-0.8%	▼	10.1%	▲
FTSE 100 (UK)	6,351	0.6%	▲	-15.8%	▼
DJ Stoxx 600 (Europe)	390	1.2%	▲	-6.3%	▼
Nikkei 225 (Japan)	25,527	0.6%	▲	7.9%	▲
Shanghai Composite (China)	3,378	2.0%	▲	10.7%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.730	0.4%	▲	4.0%	▲
EUR/USD	1.186	0.2%	▲	5.7%	▲
USD/JPY	103.86	-0.7%	▼	-4.4%	▼
GBP/USD	1.33	0.7%	▲	0.1%	▲
US\$ Index	92.39	-0.4%	▼	-4.1%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	44.96	5.1%	▲	-31.9%	▼
Iron Ore (US\$/t)	124.17	2.7%	▲	35.7%	▲
Coking Coal (US\$/t)	1,310.00	0.3%	▲	8.5%	▲
Gold (US\$/oz)	1,870.99	-1.0%	▼	23.3%	▲

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