

Financial markets charts

The week that was

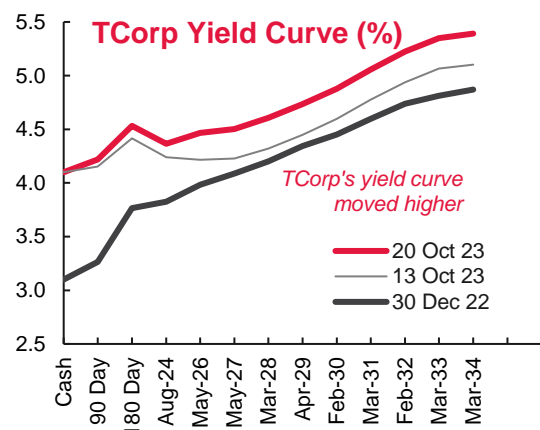
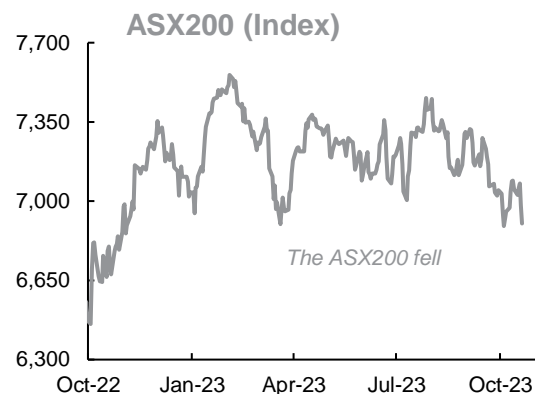
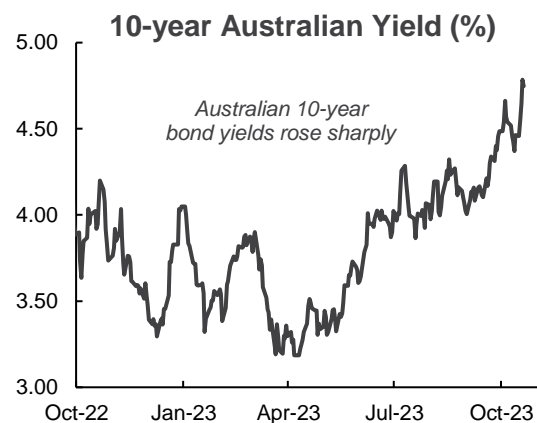
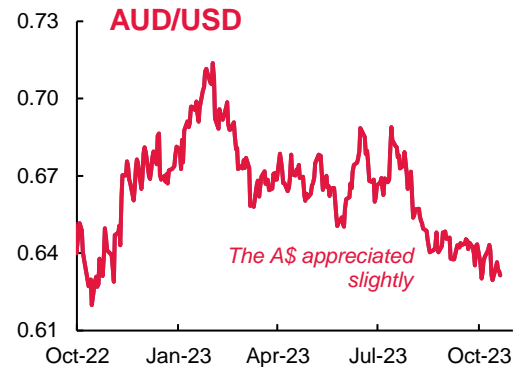
- US 10-year bond yields rose by 30bps, to 4.91%. This was despite several officials from the US Federal Reserve communicating that rates may not need to be raised again as higher bond yields are tightening financial conditions. Yields were boosted by stronger-than-expected data, particularly in retail sales. Higher bond yields and concerns around the Middle East weighed on equities, with the S&P500 falling by 2.4%.
- Alongside the rise in global yields, Australian 10-year bond yields rose by 28bps, to 4.75%, driven by a hawkish interpretation of the minutes from the Reserve Bank of Australia's (RBA) October meeting. Australian 3-year bond yields also increased by 26bps. The ASX200 fell 2.1% and the Australian dollar appreciated by 0.3% to US\$0.63.
- Locally, labour market conditions continued their gradual ease in September. The increase in employment was less than expected, and full-time employment and total hours worked fell.
- China's economy grew more than expected in the September quarter, with retail sales surprising to the upside.
- Oil prices rose 1.4% on continued supply concerns.

Economic calendar

Monday 23/10	US: Chicago Fed National Activity Index, Sep
Tuesday 24/10	AU: RBA Governor speech Global: PMI data, Oct (prelim) UK: Labour market data, Aug/Sep
Wednesday 25/10	AU: CPI, Sep qtr US: Richmond Fed Manufacturing Index, Oct
Thursday 26/10	AU: RBA Governor appears before the Senate Economics Committee EC: ECB policy decision CA: Bank of Canada policy decision US: GDP, Sep qtr (adv); New home sales, Sep; Durable goods, Sep
Friday 27/10	US: Core PCE deflator, Sep JN: Tokyo CPI, Oct

The week ahead

- Consumer price inflation data will be the focus locally. The RBA minutes last week signalled that the Board has a low tolerance for a slower return of inflation to target than currently expected. Inflation data will also be a key focus in the US, as well as September quarter GDP data.
- Central banks in Europe and Canada will meet, with both expected to keep their policy rates unchanged.
- Preliminary PMI data will show if global services and manufacturing activity slowed further in October.



Financial markets data: Week ending 20 October 2023

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.10	0	—	100	▲
90-day BBSW	4.22	7	▲	96	▲
3-year Australian Bond Yield	4.20	26	▲	70	▲
10-year Australian Bond Yield	4.75	28	▲	70	▲
20-year Australian Bond Yield	5.10	30	▲	72	▲
10-year Australian Break-Even Inflation	2.62	8	▲	16	▲
10-year Australian Real Yield	2.13	20	▲	54	▲
Fed Funds Rate (lower bound)	5.25	0	—	100	▲
2-year US Treasury Yield	5.07	2	▲	65	▲
10-year US Treasury Yield	4.91	30	▲	104	▲
30-year US Treasury Yield	5.08	32	▲	111	▲
10-year German Bund Yield	2.89	15	▲	32	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
1.00% 8 February 2024	4.32	10	▲	58	▲
5.00% 20 August 2024	4.36	12	▲	54	▲
1.25% 20 March 2025	4.47	17	▲	62	▲
4.00% 20 May 2026	4.47	25	▲	48	▲
3.00% 20 May 2027	4.50	27	▲	41	▲
3.00% 20 March 2028	4.61	29	▲	41	▲
3.00% 20 April 2029	4.74	29	▲	39	▲
3.00% 20 February 2030	4.88	28	▲	43	▲
2.00% 20 March 2031	5.06	28	▲	46	▲
1.50% 20 February 2032	5.22	29	▲	49	▲
2.00% 8 March 2033	5.35	28	▲	54	▲
3.50% 20 March 2034	5.39	29	▲	52	▲
2.75% 20 November 2025 CIB	1.61	17	▲	80	▲
2.50% 20 November 2035 CIB	2.82	20	▲	38	▲
10-year NSW TCorp Bond Yield	5.34	28	▲	59	▲
10-year TCV (Victoria) Spread	0.06	1	▲	1	▲
10-year QTC (Queensland) Spread	-0.08	0	▼	-3	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,901	-2.1%	▼	-2.0%	▼
S&P500 (US)	4,224	-2.4%	▼	10.0%	▲
FTSE 100 (UK)	7,402	-2.6%	▼	-0.7%	▼
DJ Stoxx600 (Europe)	434	-3.4%	▼	2.1%	▲
Nikkei 225 (Japan)	31,259	-3.3%	▼	19.8%	▲
Shanghai Composite (China)	2,983	-3.4%	▼	-3.4%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.631	0.3%	▲	-7.3%	▼
EUR/USD	1.059	0.8%	▲	-1.0%	▼
USD/JPY	149.86	0.2%	▲	14.3%	▲
GBP/USD	1.22	0.2%	▲	0.7%	▲
US\$ Index	106.16	-0.5%	▼	2.6%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	92.16	1.4%	▲	7.3%	▲
Iron Ore (US\$/t)	117.33	0.0%	▼	5.4%	▲
Coking Coal (US\$/t)	242.30	1.2%	▲	-32.8%	▼
Gold (US\$/oz)	1,981.40	2.5%	▲	8.6%	▲

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