

The week that was

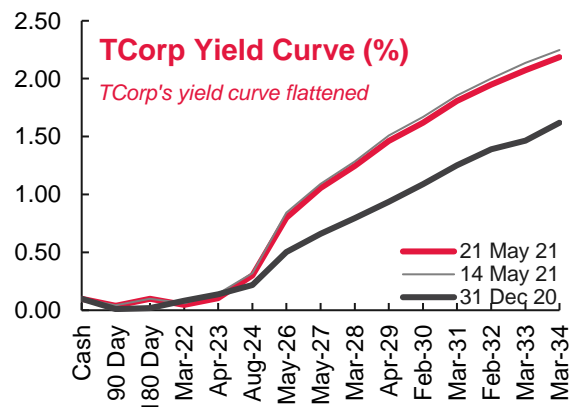
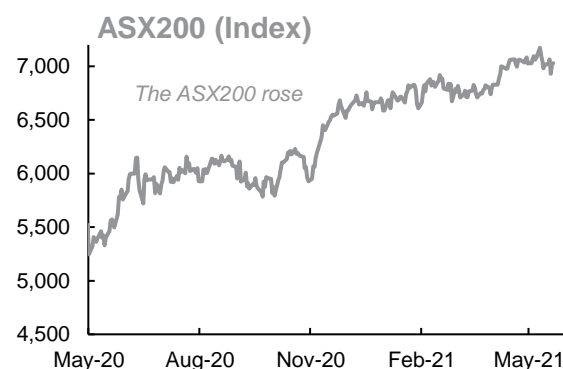
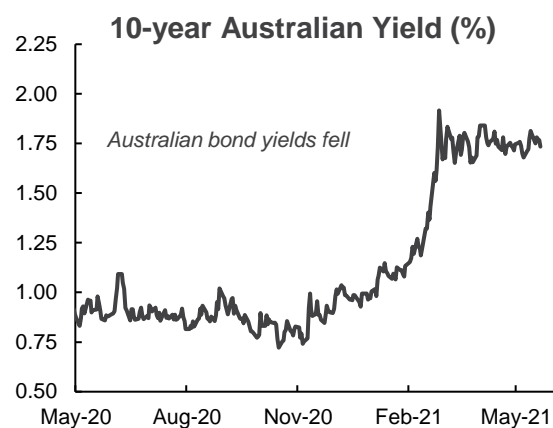
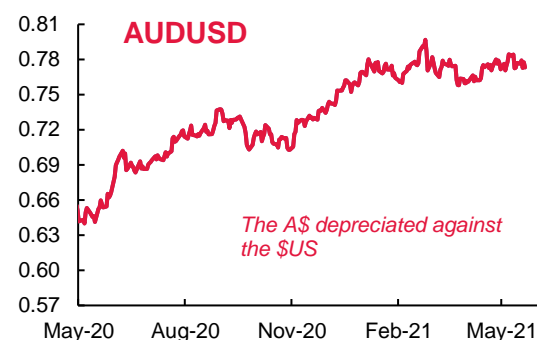
- Australian data indicated the end of JobKeeper had a modest negative impact on employment in April, and wage pressures remained low in the March quarter. Minutes from the US Federal Reserve's last policy meeting indicated some US policy makers were pondering when the central bank should begin to reduce its purchases of government bonds.
- It was a volatile week for stocks, with share prices falling into the middle of the week before recovering later. The US S&P500 fell 0.4%, the Euro Stoxx600 added 0.6% and the ASX200 rose 0.2%.
- The volatility was less pronounced in bond markets, with bond yields ending flat to lower. US 10-year bond yields ended 1bp lower at 1.62%, while Australia's November 31 bond yield fell 6bps to 1.73%. TCorp's yield curve flattened.
- The US dollar depreciated against other currencies, while the Australian dollar continued to trade in a narrow range ending at US\$0.773. Brent oil dropped 2.9%, and iron ore fell 0.4%.
- The Victorian Budget followed the Federal Budget in boosting government spending to fuel the economic recovery in FY2021-22.

Economic calendar

Monday	
24/5	US: Fed speakers
Tuesday	
25/5	AU: Payroll jobs and wages, May 8 US: New home sales, Apr
Wednesday	
26/5	AU: Construction work done, Q1 NZ: RBNZ monetary policy decision
Thursday	
27/5	AU: Private capital expenditure, Q1 US: Durable goods orders, Apr
Friday	
28/5	US: PCE deflator, Apr US: Personal spending, Apr

The week ahead

- The key Australian economic report this week is a survey of businesses capital expenditure, including spending plans for FY2020-21 and FY 2021-22. The investment data, and a report on construction spending, will also help analysts firm up their estimates of GDP.
- The Reserve Bank of New Zealand is expected to announce it will maintain current supportive monetary policy settings, and monitor soaring house prices, which rose by 18% in the year to April.
- In the US, investors will receive an update on the Fed's preferred measure of inflation – the core personal consumption expenditure (PCE) price index – as well reports on forward orders for durable goods and consumer spending. A number of Fed officials are scheduled to speak about US economic prospects and cryptocurrency.



Financial markets data: Week ending 21 May 2021

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.04	0	▼	3	▲
3-year Australian Bond Yield	0.28	-2	▼	18	▲
10-year Australian Bond Yield	1.73	-6	▼	76	▲
20-year Australian Bond Yield	2.42	-7	▼	71	▲
10-year Australian Break-Even Inflation	2.24	-8	▼	47	▲
10-year Australian Real Yield	-0.50	2	▲	30	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	0.15	1	▲	3	▲
10-year US Treasury Yield	1.62	-1	▼	71	▲
30-year US Treasury Yield	2.32	-2	▼	67	▲
10-year German Bund Yield	-0.13	0	▼	44	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.05	-1	▼	-4	▼
4.00% 20 April 2023	0.11	-4	▼	-3	▼
1.00% 8 February 2024	0.25	-2	▼	5	▲
5.00% 20 August 2024	0.30	-2	▼	8	▲
4.00% 20 May 2026	0.80	-4	▼	29	▲
3.00% 20 May 2027	1.06	-4	▼	40	▲
3.00% 20 March 2028	1.25	-4	▼	45	▲
3.00% 20 April 2029	1.46	-5	▼	53	▲
3.00% 20 February 2030	1.62	-5	▼	53	▲
2.00% 20 March 2031	1.81	-5	▼	56	▲
1.50% 20 February 2032	1.95	-5	▼	56	▲
2.00% 8 March 2033	2.07	-6	▼	61	▲
2.75% 20 November 2025 CIB	-1.46	4	▲	-35	▼
2.50% 20 November 2035 CIB	0.22	-1	▼	31	▲
10-year NSW TCorp Bond Yield	1.84	-4	▼	60	▲
10-year TCV (Victoria) Spread	0.00	0	▲	-2	▼
10-year QTC (Queensland) Spread	0.00	-1	▼	4	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,030	0.2%	▲	6.7%	▲
S&P500 (US)	4,156	-0.4%	▼	10.6%	▲
FTSE 100 (UK)	7,018	-0.4%	▼	8.6%	▲
DJ Stoxx600 (Europe)	444	0.4%	▲	11.4%	▲
Nikkei 225 (Japan)	28,318	0.8%	▲	3.2%	▲
Shanghai Composite (China)	3,487	-0.1%	▼	0.4%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.773	-0.5%	▼	0.5%	▲
EUR/USD	1.218	0.3%	▲	-0.3%	▼
USD/JPY	108.96	-0.4%	▼	5.5%	▲
GBP/USD	1.42	0.4%	▲	3.5%	▲
US\$ Index	90.03	-0.3%	▼	0.1%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	66.73	-2.9%	▼	28.8%	▲
Iron Ore (US\$/t)	207.83	-0.4%	▼	33.4%	▲
Coking Coal (US\$/t)	1,640.00	-3.5%	▼	9.3%	▲
Gold (US\$/oz)	1,881.25	2.1%	▲	-0.9%	▼

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