

Financial markets charts

The week that was

- The focus last week was on central banks' policy decisions and forward guidance on interest rates.
- Markets interpreted the Reserve Bank of Australia (RBA) communication as taking a more neutral, rather than hawkish, stance which contributed to Australian 10-year bond yields ending the week 10bps lower, the ASX200 rising by 1.3% and the Australian dollar down 0.7%. The RBA Board remains cautious, looking for more progress on inflation before starting to discuss rate cuts.
- Central banks in other advanced economies are generally more dovish than the RBA. The US Federal Reserve (Fed) has gained confidence that its inflation target will be achieved, even though the US economy and labour market remain resilient. Fed members still expect to deliver 3 rate cuts in 2024, which investors anticipate will commence around the middle of the year. The more dovish Fed saw US 10-year bond yields fall 11bps last week and the S&P500 rise 2.3%.
- The Bank of England also became more dovish, and the Swiss central bank unexpectedly reduced its policy rate by 25bps as inflation is low and within the target range.
- As widely expected, the Bank of Japan (BoJ) raised its policy rate to 0-0.1%, ending its negative interest rate policy. The BoJ also ended its Yield Curve Control policy but will remain active in the government bond market to ensure that yields do not rise beyond levels it is comfortable with. However, the BoJ's forward guidance remained dovish, which saw the yen depreciate and equities rise strongly.
- Australian labour market data remains volatile, but there are signs that conditions are continuing to loosen.

Economic calendar

Monday 25/03	US: New homes sales, Feb; Durable goods orders, Feb (prelim)
Tuesday 26/03	AU: Consumer sentiment, Mar US: Consumer confidence, Mar
Wednesday 27/03	AU: Monthly CPI, Feb
Thursday 28/03	AU: Retail sales, Feb; Job vacancies, Feb qtr; Private sector credit, Feb
Friday 29/03	US: Core PCE deflator, Feb JP: Tokyo CPI, Mar

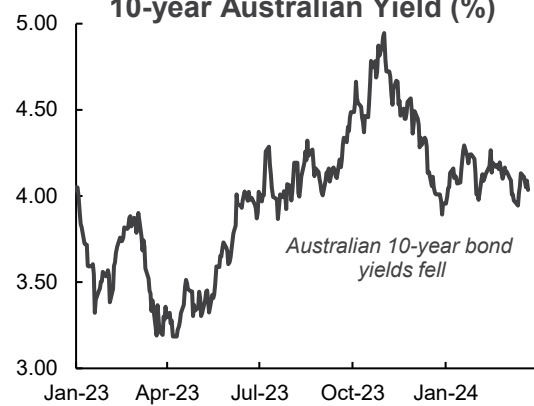
The week ahead

- Inflation data in the US and Australia will be the focus, with investors sensitive to stronger-than-expected inflation data that could delay rate cuts.
- Locally, retail sales and job vacancies data will provide updated reads on consumers and the labour market.

AUD/USD



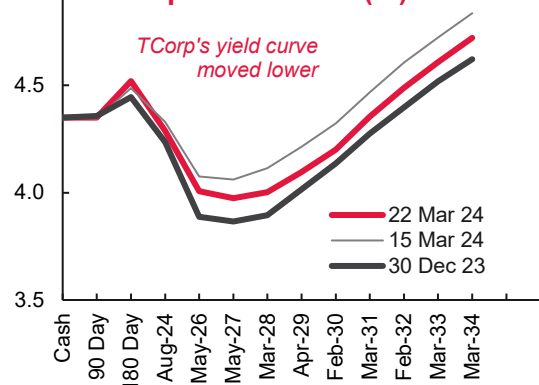
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 22 March 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.35	0	▲	-1	▼
3-year Australian Bond Yield	3.68	-6	▼	7	▲
10-year Australian Bond Yield	4.04	-10	▼	8	▲
20-year Australian Bond Yield	4.34	-10	▼	9	▲
10-year Australian Break-Even Inflation	2.48	-4	▼	-9	▼
10-year Australian Real Yield	1.55	-5	▼	17	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.59	-14	▼	34	▲
10-year US Treasury Yield	4.20	-11	▼	32	▲
30-year US Treasury Yield	4.38	-5	▼	35	▲
10-year German Bund Yield	2.32	-12	▼	30	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.29	-4	▼	5	▲
1.25% 20 March 2025	4.20	-5	▼	16	▲
4.00% 20 May 2026	4.01	-7	▼	12	▲
3.00% 20 May 2027	3.97	-9	▼	11	▲
3.00% 20 March 2028	4.00	-11	▼	11	▲
3.00% 20 April 2029	4.10	-12	▼	8	▲
3.00% 20 February 2030	4.20	-12	▼	6	▲
2.00% 20 March 2031	4.35	-11	▼	8	▲
1.50% 20 February 2032	4.49	-12	▼	9	▲
2.00% 8 March 2033	4.61	-11	▼	9	▲
1.75% 20 March 2034	4.72	-11	▼	10	▲
2.75% 20 November 2025 CIB	1.36	-8	▼	29	▲
2.50% 20 November 2035 CIB	2.20	-7	▼	13	▲
10-year NSW TCorp Bond Yield	4.67	-11	▼	12	▲
10-year TCV (Victoria) Spread	0.08	-1	▼	-3	▼
10-year QTC (Queensland) Spread	-0.04	0	▲	4	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,771	1.3%	▲	2.4%	▲
S&P500 (US)	5,234	2.3%	▲	9.7%	▲
FTSE 100 (UK)	7,931	2.6%	▲	2.6%	▲
DJ Stoxx600 (Europe)	510	1.0%	▲	6.4%	▲
Nikkei 225 (Japan)	40,888	5.6%	▲	22.2%	▲
Shanghai Composite (China)	3,048	-0.2%	▼	2.5%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.652	-0.7%	▼	-4.4%	▼
EUR/USD	1.081	-0.7%	▼	-2.1%	▼
USD/JPY	151.41	1.6%	▲	7.4%	▲
GBP/USD	1.26	-1.1%	▼	-1.0%	▼
US\$ Index	104.43	1.0%	▲	3.1%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	85.43	0.1%	▲	10.9%	▲
Iron Ore (US\$/t)	110.39	3.4%	▲	-19.1%	▼
Coking Coal (US\$/t)	218.76	5.2%	▲	-20.6%	▼
Gold (US\$/oz)	2,165.44	0.4%	▲	5.0%	▲

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