

Financial markets charts

The week that was

- US 10-year bond yields fell 8bps last week and the S&P 500 gained 1.4% as the Chairman of the US Federal Reserve (Fed) Jerome Powell, confirmed interest rates will be lowered in September. Upcoming labour market data will be important in determining whether the Fed cuts rates by 25bps or 50bps, though most Fed members have indicated that policy easing will likely occur at a gradual pace.
- Minutes from the Reserve Bank of Australia (RBA) Board's August meeting were interpreted as hawkish. While the RBA signalled a rate cut this year is unlikely, the Minutes indicated this could change based on new data. Investors are pricing in 1 rate cut in late 2024.
- Australian bond yields were little changed last week and the ASX200 gained 0.7%. The Australian dollar appreciated by almost 2% against the US dollar to just under US\$0.68, near its highest level since the start of 2024.
- Purchasing Managers' Indexes (PMIs) showed manufacturing activity remained weak in August across most advanced economies. Activity in services sectors, however, has continued to grow.
- The Swedish central bank cut rates for the second time, by 25bps, and signalled 2 or 3 further rate cuts before the end of this year.

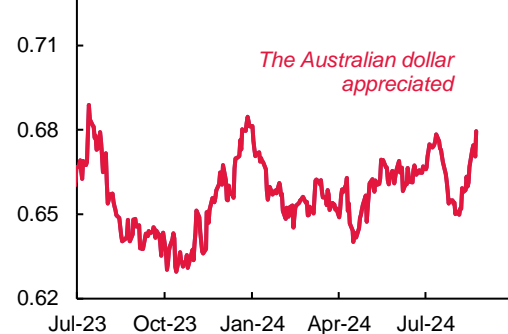
Economic calendar

Monday 26/08	GE: IFO Business Climate, Aug
Tuesday 27/08	GE: GDP, Jun qtr (final)
Wednesday 28/08	AU: Monthly CPI, Jul; Construction work done, June qtr US: Consumer confidence, Aug
Thursday 29/08	US: GDP, Jun qtr (second reading) AU: Private capital expenditure, Jun qtr
Friday 30/08	US: Core PCE deflator, Jul AU: Retail sales, Jul EC: CPI, Aug (preliminary) JP: Tokyo CPI, Aug

The week ahead

- Locally, monthly inflation data for July will be the focus. Although a large fall in inflation is expected, it will be challenging to gauge underlying inflationary pressures because of the impact of electricity rebates starting to come through.
- Other Australian data will also be closely watched, including retail sales values for July and the first suite of activity indicators for the June quarter.
- In the US, inflation data for July and the second reading of the June quarter GDP will be released. Analysts will also closely watch NVIDIA's Q2 earnings report.

AUD/USD



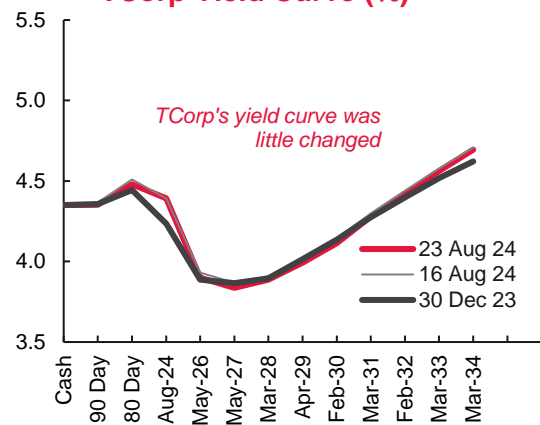
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 23 August 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.35	-1	▼	0	▼
3-year Australian Bond Yield	3.55	-2	▼	-6	▼
10-year Australian Bond Yield	3.92	-1	▼	-4	▼
20-year Australian Bond Yield	4.42	1	▲	17	▲
10-year Australian Break-Even Inflation	2.28	-4	▼	-30	▼
10-year Australian Real Yield	1.64	3	▲	26	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	3.92	-13	▼	-33	▼
10-year US Treasury Yield	3.80	-8	▼	-8	▼
30-year US Treasury Yield	4.09	-5	▼	6	▲
10-year German Bund Yield	2.23	-2	▼	20	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.39	0	—	16	▲
1.25% 20 March 2025	4.19	1	▲	16	▲
4.00% 20 May 2026	3.90	-3	▼	1	▲
3.00% 20 May 2027	3.84	-3	▼	-3	▼
3.00% 20 March 2028	3.89	-2	▼	-1	▼
3.00% 20 April 2029	3.99	-3	▼	-2	▼
3.00% 20 February 2030	4.11	-3	▼	-2	▼
2.00% 20 March 2031	4.28	-2	▼	0	▲
1.50% 20 February 2032	4.42	-2	▼	2	▲
2.00% 8 March 2033	4.56	-2	▼	4	▲
1.75% 20 March 2034	4.69	-1	▼	7	▲
2.75% 20 November 2025 CIB	1.56	0	—	49	▲
2.50% 20 November 2035 CIB	2.31	3	▲	24	▲
10-year NSW TCorp Bond Yield	4.69	-1	▼	14	▲
10-year TCV (Victoria) Spread	0.06	-1	▼	-5	▼
10-year QTC (Queensland) Spread	0.01	0	▼	9	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,024	0.7%	▲	5.7%	▲
S&P500 (US)	5,635	1.4%	▲	18.1%	▲
FTSE 100 (UK)	8,328	0.2%	▲	7.7%	▲
DJ Stoxx600 (Europe)	518	1.3%	▲	8.2%	▲
Nikkei 225 (Japan)	38,364	0.8%	▲	14.6%	▲
Shanghai Composite (China)	2,854	-0.9%	▼	-4.1%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.680	1.9%	▲	-0.2%	▼
EUR/USD	1.119	1.5%	▲	1.4%	▲
USD/JPY	144.37	-2.2%	▼	2.4%	▲
GBP/USD	1.32	2.1%	▲	3.8%	▲
US\$ Index	100.72	-1.7%	▼	-0.6%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	79.02	-0.8%	▼	2.6%	▲
Iron Ore (US\$/t)	97.60	2.1%	▲	-28.4%	▼
Coking Coal (US\$/t)	178.75	-6.1%	▼	-35.2%	▼
Gold (US\$/oz)	2,512.59	0.2%	▲	21.8%	▲

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