

The week that was

- Brent Crude plunged 23.6% over the week to close at US\$21.44 a barrel. Astonishingly, the May futures contract price for West Texas Intermediate crude even traded below zero last week. While demand for oil has slumped due to COVID-19 shutdowns, the negative oil price reflected desperate traders trying to avoid taking delivery of oil at a time when oil storage facilities are already full.
- Weakening oil prices played into falling equities markets with Australian shares declining 4.5%. In the US the S&P500 was down 1.3% and Japanese stocks fell 3.2%. Bond markets were stable as Australian 10-year bond yields rose 2bps while US Treasury 10-year yields were down 4bps to 0.6%.
- Globally, PMIs continue to plunge to record lows. The US services PMI fell to 27 while Europe's services PMI printed at 11.7. The levels recorded show, except for essential services, economic activity has essentially halted.
- In the US, an additional 4.4 million people filed for unemployment benefits bringing the total over the last month to 26 million. US durable goods orders slumped 14.4% and UK retail sales also suffered the biggest fall on record, down 5.8%.

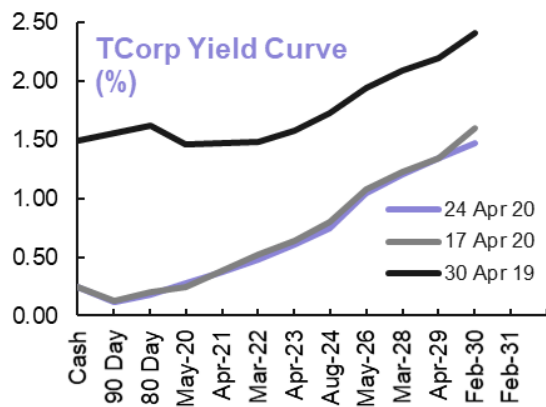
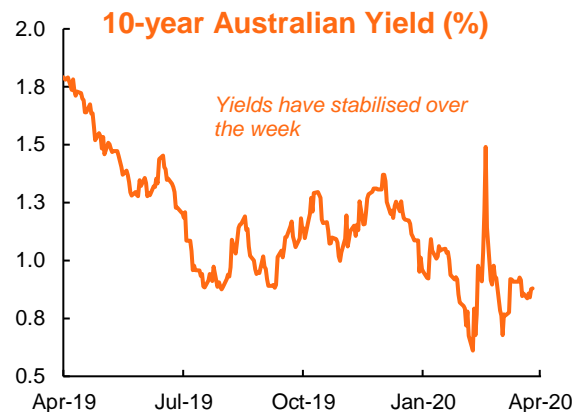
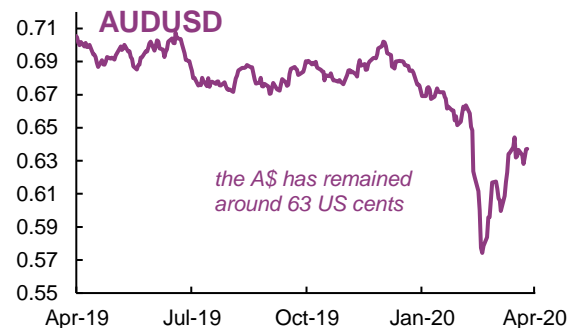
Economic calendar

Monday 27/04	JP: BoJ Policy Rate
Tuesday 28/04	
Wednesday 29/04	AU: CPI, 1Q20 US: GDP, 1Q20 US: FOMC Rate Decision
Thursday 30/04	CH: Manufacturing and non-manufacturing PMIs, Apr EC: GDP, 1Q20
Friday 01/05	AU: AIG Perf of Manufacturing Index, Apr US: ISM Manufacturing, Apr

The week ahead

- Australia's March quarter inflation data will be released on Wednesday and while some evidence of the COVID-19 restrictions will be seen, the bulk of the impact will be represented in 2Q figures.
- China PMIs are expected to show continued signs of improvement through April, while the US 1Q GDP should show a slowdown in economic activity.

Financial markets charts



Financial markets data: Week ending 24 April 2020

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.25	0	—	-50	▼
90-day BBSW	0.12	-1	▼	-81	▼
3-year Australian Bond Yield	0.26	1	▲	-64	▼
10-year Australian Bond Yield	0.88	2	▲	-49	▼
20-year Australian Bond Yield	1.56	-10	▼	-31	▼
10-year Australian Break-Even Inflation	0.61	-8	▼	-80	▼
10-year Australian Real Yield	0.27	10	▲	31	▲
Fed Funds Rate (lower bound)	0.00	0	—	-150	▼
2-year US Treasury Yield	0.22	2	▲	-134	▼
10-year US Treasury Yield	0.60	-4	▼	-132	▼
30-year US Treasury Yield	1.17	-9	▼	-122	▼
10-year German Bund Yield	-0.47	0	▼	-29	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 May 2020	0.28	3	▲	-66	▼
4.00% 8 April 2021	0.38	0	▼	-62	▼
6.00% 1 March 2022	0.48	-5	▼	-58	▼
4.00% 20 April 2023	0.60	-4	▼	-56	▼
1.00% 8 February 2024	0.73	-5	▼	-55	▼
5.00% 20 August 2024	0.75	-5	▼	-53	▼
4.00% 20 May 2026	1.05	-3	▼	-40	▼
3.00% 20 May 2027	1.21	-2	▼	-37	▼
3.00% 20 March 2028	1.35	0	▲	-32	▼
3.00% 20 April 2029	1.47	0	▲	-31	▼
3.00% 20 February 2030	1.59	-1	▼	-25	▼
2.00% 20 March 2031	1.73	-1	▼	-23	▼
2.00% 20 March 2032	1.94	0	▲	n/a	n/a
2.00% 20 March 2033	1.91	-3	▼	-29	▼
3.75% 20 August 2020 CIB	-0.77	19	▲	-9	▼
2.75% 20 November 2025 CIB	0.79	14	▲	70	▲
2.50% 20 November 2035 CIB	1.29	7	▲	n/a	n/a
10-year NSW TCorp Bond Yield	1.63	0	▲	-21	▼
10-year TCV (Victoria) Spread	-0.08	-1	▼	-6	▼
10-year QTC (Queensland) Spread	-0.01	-1	▼	-4	▼
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	5,243	-4.5%	▼	-21.6%	▼
S&P 500 (US)	2,837	-1.3%	▼	-12.2%	▼
FTSE 100 (UK)	5,752	-0.6%	▼	-23.7%	▼
DJ Stoxx 600 (Europe)	330	-1.2%	▼	-20.7%	▼
Nikkei 225 (Japan)	19,262	-3.2%	▼	-18.6%	▼
Shanghai Composite (China)	2,809	-1.1%	▼	-7.9%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.637	0.1%	▲	-9.3%	▼
EUR/USD	1.082	-0.5%	▼	-3.5%	▼
USD/JPY	107.51	0.0%	▼	-1.0%	▼
GBP/USD	1.24	-1.1%	▼	-6.7%	▼
US\$ Index	100.38	0.6%	▲	4.1%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	21.44	-23.6%	▼	-67.5%	▼
Iron Ore (US\$/t)	83.68	-1.0%	▼	-8.6%	▼
Coking Coal (US\$/t)	1,215.50	-3.3%	▼	0.7%	▲
Gold (US\$/oz)	1,729.60	2.8%	▲	14.0%	▲

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