

## The week that was

- Global markets had a week of respite from the recent downside in risk sentiment, even as major central banks emphasised their commitment to restrictive policy settings. Aggressive expectations for tightening seemed to pare back, as recession fears rose. Lower equity valuations also helped.
- US Federal Reserve Chair Powell reinforced that the Fed is squarely focused on inflation, noting that a recession was "a possibility", and the soft landing the Fed is seeking will be "very challenging". Reserve Bank of Australia (RBA) Governor Lowe also emphasised that the RBA will do what is necessary to get inflation down.
- Global economic growth concerns grew, as flash S&P PMI surveys for June missed forecasts. The US composite index slid. Euro area PMIs surprised firmly to the downside, with its composite index down to 51.9. Australian PMIs also softened.
- Bond yields slumped. The US 10-year yield fell 10bps to 3.13%. Australian 10-year yields were down 41bps, to 3.72%. TCorp's 10-year yield dropped 36bps, to 4.29%.
- Equities improved. The ASX200 gained 1.6%, the US S&P500 was up 6.0% and the European Stoxx600 rose 2.4%. The Australian dollar rebounded 0.2%, to US\$0.695.

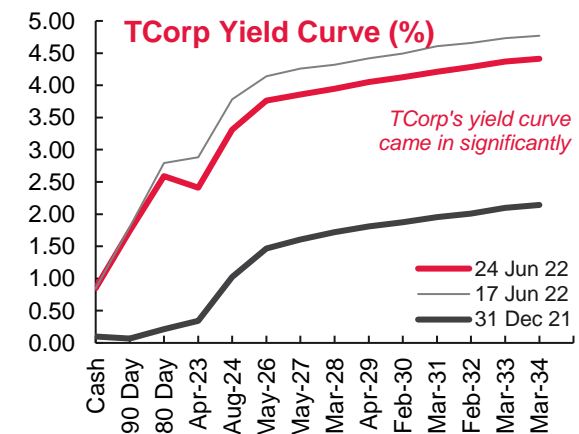
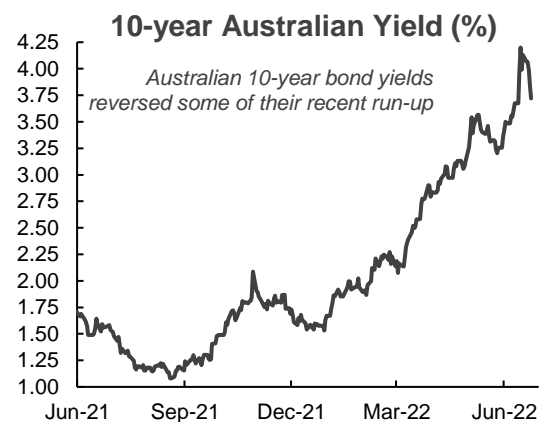
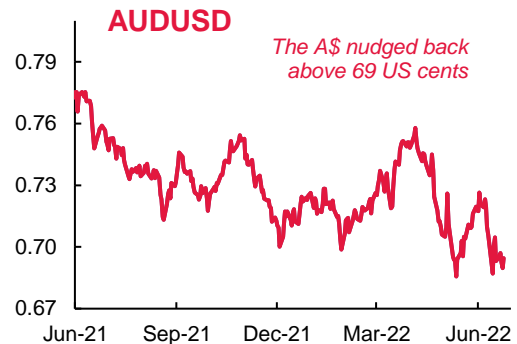
## Economic calendar

<b>Monday 27/06</b>	CH: Industrial profits, May US: Durable goods orders, May (prelim)
<b>Tuesday 28/06</b>	EU: ECB President Lagarde speech US: Pending home sales, May, Trade balance, May
<b>Wednesday 29/06</b>	AU: Retail sales, May US: Federal Reserve Chair Powell speech, GDP, March qtr (third estimate)
<b>Thursday 30/06</b>	AU: Job vacancies, May, Private sector credit, May CH: PMIs, Jun US: Personal income & spending, May
<b>Friday 01/07</b>	AU: ANZ Consumer confidence, Jun CH: Caixin Manufacturing PMI, Jun US: ISM Manufacturing index, Jun

## The week ahead

- Releases for several cyclical indicators in the US and China are due, including PMIs and US durable goods orders. These will be key in assessing the pace of the global economic downturn.
- An ECB-hosted conference is scheduled, where central bankers from the ECB, US Federal Reserve and Bank of England are expected to speak. These sessions should reaffirm the outlook for rapid monetary tightening, and growth risks.

## Financial markets charts



## Financial markets data: Week ending 24 June 2022

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.85	0	—	75	▲
90-day BBSW	1.74	-6	▼	167	▲
3-year Australian Bond Yield	3.20	-43	▼	229	▲
10-year Australian Bond Yield	3.72	-41	▼	205	▲
20-year Australian Bond Yield	3.93	-45	▼	166	▲
10-year Australian Break-Even Inflation	2.34	-7	▼	7	▲
10-year Australian Real Yield	1.38	-34	▼	198	▲
Fed Funds Rate (lower bound)	1.50	0	—	150	▲
2-year US Treasury Yield	3.06	-12	▼	233	▲
10-year US Treasury Yield	3.13	-10	▼	162	▲
30-year US Treasury Yield	3.26	-2	▼	135	▲
10-year German Bund Yield	1.44	-22	▼	162	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 April 2023	2.41	-47	▼	207	▲
1.00% 8 February 2024	3.07	-56	▼	224	▲
5.00% 20 August 2024	3.31	-47	▼	229	▲
1.25% 20 March 2025	3.53	-41	▼	231	▲
4.00% 20 May 2026	3.76	-38	▼	230	▲
3.00% 20 May 2027	3.86	-40	▼	225	▲
3.00% 20 March 2028	3.95	-37	▼	223	▲
3.00% 20 April 2029	4.05	-37	▼	224	▲
3.00% 20 February 2030	4.12	-37	▼	225	▲
2.00% 20 March 2031	4.21	-40	▼	226	▲
1.50% 20 February 2032	4.28	-37	▼	227	▲
2.00% 8 March 2033	4.37	-36	▼	227	▲
3.50% 20 March 2034	4.41	-36	▼	227	▲
2.75% 20 November 2025 CIB	0.36	0	—	140	▲
2.50% 20 November 2035 CIB	1.88	-40	▼	184	▲
10-year NSW TCorp Bond Yield	4.29	-36	▼	232	▲
10-year TCV (Victoria) Spread	0.02	0	▼	-2	▼
10-year QTC (Queensland) Spread	-0.07	-5	▼	-8	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,579	1.6%	▲	-11.6%	▼
S&P500 (US)	3,912	6.4%	▲	-17.9%	▼
FTSE 100 (UK)	7,209	2.7%	▲	-2.4%	▼
DJ Stoxx600 (Europe)	413	2.4%	▲	-15.3%	▼
Nikkei 225 (Japan)	26,492	2.0%	▲	-8.0%	▼
Shanghai Composite (China)	3,350	1.0%	▲	-8.0%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.695	0.2%	▲	-4.4%	▼
EUR/USD	1.055	0.5%	▲	-7.2%	▼
USD/JPY	135.23	0.2%	▲	17.5%	▲
GBP/USD	1.23	0.2%	▲	-9.3%	▼
US\$ Index	104.19	-0.5%	▼	8.9%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	113.12	0.0%	—	45.4%	▲
Iron Ore (US\$/t)	114.13	-4.9%	▼	-5.7%	▼
Coking Coal (US\$/t)	2,802.00	-1.7%	▼	36.4%	▲
Gold (US\$/oz)	1,826.88	-0.7%	▼	-0.1%	▼

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