

The week that was

- Bond yields surged last week following increasingly hawkish comments from US Federal Reserve policymakers. Despite that, equities improved.
- Having raised interest rates the previous week, many Fed policymakers came forward and indicated that they were willing to raise rates more aggressively if needed, including Fed Chair Powell who stated he was ready to hike rates in 50bps increments.
- Encouragingly, economic data remains strong globally. Purchasing Managers' Indexes (PMIs) for March showed buoyant activity, with the US survey rising to 58.5 and the Euro area reading solid at 54.5. In Australia, the composite PMI also rose to 57.1.
- The Fed comments saw global bond yields leap. The US 10-year yield gained 32bps, to 2.47%, and the Australian 10-year yield added 20bps, to 2.78%. The yield on the German 10-year bond rose 21bps, to 0.59%. TCorp's 10-year yield increased 21bps, to 3.12%.
- Equities improved, with the US S&P500 rising 1.8%, the ASX200 up 1.5% and the UK FTSE100 up 1.1%. Europe's Stoxx600 fell 0.2%.
- The Australian dollar strengthened, up 1.3% to US\$0.752.

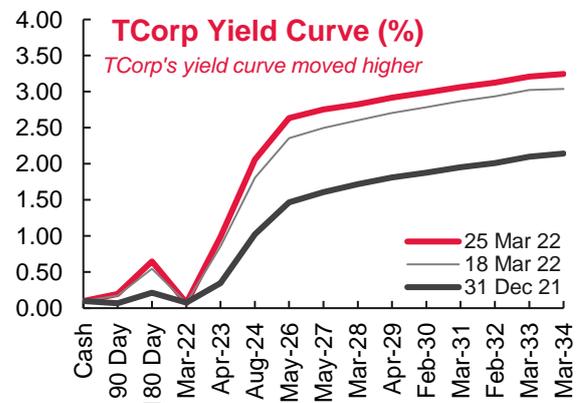
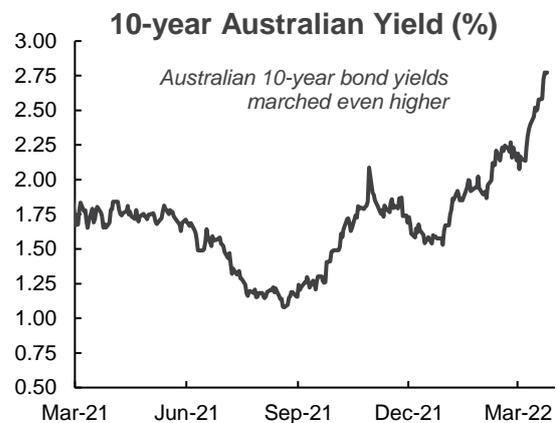
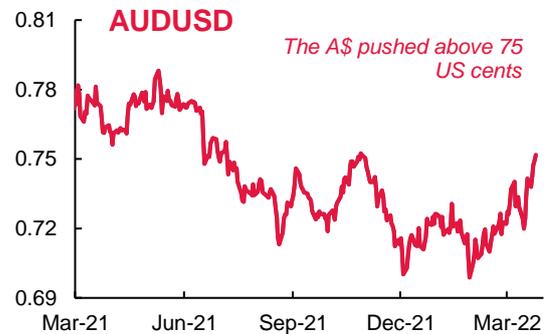
Economic calendar

Monday 28/03	US: Trade balance, Feb, Wholesale inventories, Feb (prelim)
Tuesday 29/03	AU: Retail sales, Feb, Commonwealth Budget
Wednesday 30/03	US: Conference Board consumer confidence, Mar, JOLTS jobs data, Feb
Thursday 31/03	AU: Job vacancies, Feb, Building approvals, Feb, Private sector credit, Feb CH: PMIs, Mar US: Personal income and spending, Feb, PCE deflator, Feb
Friday 01/04	AU: PMI, Mar (final), CoreLogic house prices, Mar, Home loans, Feb, Commodity prices, Mar CH: Caixin Manufacturing PMI, Mar US: Non-farm payrolls, Mar, Employment report, Mar, ISM Manufacturing index, Mar

The week ahead

- US employment and spending data will dominate this week and will be critical indicators in light of the Fed's tightening stance. In Australia, retail sales and house price figures are key.

Financial markets charts



Financial markets data: Week ending 25 March 2022

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	–	0	–
90-day BBSW	0.21	4	▲	15	▲
3-year Australian Bond Yield	2.22	29	▲	130	▲
10-year Australian Bond Yield	2.78	20	▲	111	▲
20-year Australian Bond Yield	3.11	15	▲	84	▲
10-year Australian Break-Even Inflation	2.50	1	▲	23	▲
10-year Australian Real Yield	0.27	19	▲	88	▲
Fed Funds Rate (lower bound)	0.25	0	–	25	▲
2-year US Treasury Yield	2.27	33	▲	154	▲
10-year US Treasury Yield	2.47	32	▲	96	▲
30-year US Treasury Yield	2.58	16	▲	68	▲
10-year German Bund Yield	0.59	21	▲	76	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.07	0	–	0	▼
4.00% 20 April 2023	1.02	16	▲	67	▲
1.00% 8 February 2024	1.77	24	▲	95	▲
5.00% 20 August 2024	2.08	28	▲	106	▲
4.00% 20 May 2026	2.64	28	▲	117	▲
3.00% 20 May 2027	2.75	26	▲	115	▲
3.00% 20 March 2028	2.82	22	▲	110	▲
3.00% 20 April 2029	2.92	21	▲	111	▲
3.00% 20 February 2030	2.99	21	▲	111	▲
2.00% 20 March 2031	3.07	20	▲	112	▲
1.50% 20 February 2032	3.13	20	▲	112	▲
2.00% 8 March 2033	3.21	19	▲	112	▲
3.50% 20 March 2034	3.25	21	▲	111	▲
2.75% 20 November 2025 CIB	-0.51	38	▲	53	▲
2.50% 20 November 2035 CIB	0.88	20	▲	85	▲
10-year NSW TCorp Bond Yield	3.12	21	▲	114	▲
10-year TCV (Victoria) Spread	0.02	0	▼	-2	▼
10-year QTC (Queensland) Spread	-0.02	0	▼	-3	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,406	1.5%	▲	-0.5%	▼
S&P500 (US)	4,543	1.8%	▲	-4.7%	▼
FTSE100 (UK)	7,483	1.1%	▲	1.3%	▲
DJ Stoxx600 (Europe)	454	-0.2%	▼	-7.0%	▼
Nikkei 225 (Japan)	28,150	4.9%	▲	-2.2%	▼
Shanghai Composite (China)	3,212	-1.2%	▼	-11.7%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.752	1.3%	▲	3.5%	▲
EUR/USD	1.098	-0.6%	▼	-3.4%	▼
USD/JPY	122.05	2.4%	▲	6.1%	▲
GBP/USD	1.32	0.0%	▲	-2.6%	▼
US\$ Index	98.79	0.6%	▲	3.3%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	120.65	11.8%	▲	55.1%	▲
Iron Ore (US\$/t)	153.16	0.2%	▲	26.5%	▲
Coking Coal (US\$/t)	3,245.00	-0.9%	▼	58.0%	▲
Gold (US\$/oz)	1,958.29	1.9%	▲	7.1%	▲

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