

Financial markets charts

The week that was

- Inflation in Australia surprised to the upside in the March quarter, following a downside surprise in the previous quarter. Even though large price gains in several categories – including health, education, and insurance – are not being driven by strong consumer demand or elevated labour costs, the data triggered investors' fears that inflation could take longer to return to target than the RBA expects. As a result, Australian bond yields rose as investors priced in the possibility of another rate rise.
- 10-year bond yields ended the week 26bps higher, while the ASX200 was little changed, and the Australian dollar appreciated by 1.8%.
- Recent inflation data in the US also prompted investors to think that inflation will take longer to return to the US Federal Reserve's (Fed's) 2% target and have increased concerns about upside risks to inflation. Investors now expect only one rate cut by the Fed in 2024. US 10-year bond yields rose 4bps last week, while the S&P500 gained 2.7%, boosted by positive corporate earnings reports by some big tech companies.
- In contrast to the US Fed, the European Central Bank continues to signal that a rate cut in June is highly likely.

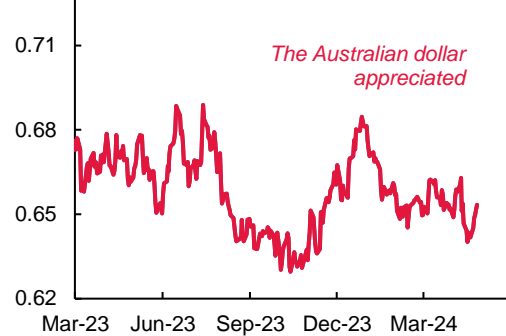
Economic calendar

| | |
|----------------------------------|---|
| Monday 29/04 | GE: CPI, Apr (prelim) US: Dallas Fed Manufacturing, Apr |
| Tuesday 30/04 | US: Employment Cost Index, Mar qtr AU: Retail sales, Mar; Private sector credit, Mar EC: CPI, Apr (prelim) CH: PMIs, Apr |
| Wednesday 01/05 | US: FOMC policy decision; ISM Manufacturing, Apr; JOLTS job openings, Mar |
| Thursday 02/05 | AU: Building approvals, Mar US: Durable goods orders, Mar |
| Friday 03/05 | US: Non-farm payrolls, Apr; ISM Services, Apr AU: Housing lending, Mar |

The week ahead

- There will be several potentially market-moving events this week in the US. Most closely watched will be comments on inflation and the interest rate outlook by Fed Chairman Powell after the Fed's policy meeting. Data on wages growth and employment will also be important for financial markets, as well as the ISM activity surveys and corporate earnings reports.
- In Australia, retail trade and building approvals will provide updated reads on economic activity.

AUD/USD



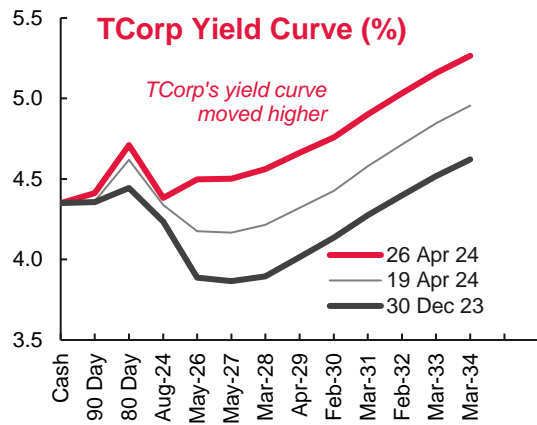
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 26 April 2024

| INTEREST RATES | CLOSE (%) | 1 WEEK (BPS) | | YTD (BPS) | |
|---|------------------|---------------------|---|------------------|---|
| RBA Cash Rate | 4.35 | 0 | — | 0 | — |
| 90-day BBSW | 4.41 | 5 | ▲ | 5 | ▲ |
| 3-year Australian Bond Yield | 4.14 | 31 | ▲ | 53 | ▲ |
| 10-year Australian Bond Yield | 4.52 | 26 | ▲ | 57 | ▲ |
| 20-year Australian Bond Yield | 4.77 | 24 | ▲ | 53 | ▲ |
| 10-year Australian Break-Even Inflation | 2.59 | 3 | ▲ | 2 | ▲ |
| 10-year Australian Real Yield | 1.93 | 24 | ▲ | 55 | ▲ |
| Fed Funds Rate (lower bound) | 5.25 | 0 | — | 0 | — |
| 2-year US Treasury Yield | 4.99 | 1 | ▲ | 74 | ▲ |
| 10-year US Treasury Yield | 4.66 | 4 | ▲ | 78 | ▲ |
| 30-year US Treasury Yield | 4.78 | 6 | ▲ | 75 | ▲ |
| 10-year German Bund Yield | 2.58 | 8 | ▲ | 55 | ▲ |
| NSW TCorp Bonds | Close (%) | 1 Week (bps) | | YTD (bps) | |
| 5.00% 20 August 2024 | 4.38 | 4 | ▲ | 15 | ▲ |
| 1.25% 20 March 2025 | 4.53 | 23 | ▲ | 50 | ▲ |
| 4.00% 20 May 2026 | 4.50 | 32 | ▲ | 61 | ▲ |
| 3.00% 20 May 2027 | 4.50 | 33 | ▲ | 64 | ▲ |
| 3.00% 20 March 2028 | 4.56 | 35 | ▲ | 67 | ▲ |
| 3.00% 20 April 2029 | 4.66 | 34 | ▲ | 65 | ▲ |
| 3.00% 20 February 2030 | 4.76 | 33 | ▲ | 62 | ▲ |
| 2.00% 20 March 2031 | 4.90 | 32 | ▲ | 63 | ▲ |
| 1.50% 20 February 2032 | 5.03 | 32 | ▲ | 64 | ▲ |
| 2.00% 8 March 2033 | 5.16 | 31 | ▲ | 64 | ▲ |
| 1.75% 20 March 2034 | 5.27 | 31 | ▲ | 64 | ▲ |
| 2.75% 20 November 2025 CIB | 1.62 | 19 | ▲ | 56 | ▲ |
| 2.50% 20 November 2035 CIB | 2.56 | 25 | ▲ | 49 | ▲ |
| 10-year NSW TCorp Bond Yield | 5.22 | 31 | ▲ | 66 | ▲ |
| 10-year TCV (Victoria) Spread | 0.07 | -3 | ▼ | -4 | ▼ |
| 10-year QTC (Queensland) Spread | -0.01 | 0 | ▲ | 7 | ▲ |
| Equities | Close | 1 Week | | YTD | |
| S&P/ASX200 (Australia) | 7,576 | 0.1% | ▲ | -0.2% | ▼ |
| S&P500 (US) | 5,100 | 2.7% | ▲ | 6.9% | ▲ |
| FTSE 100 (UK) | 8,140 | 3.1% | ▲ | 5.3% | ▲ |
| DJ Stoxx600 (Europe) | 508 | 1.7% | ▲ | 6.1% | ▲ |
| Nikkei 225 (Japan) | 37,935 | 2.3% | ▲ | 13.4% | ▲ |
| Shanghai Composite (China) | 3,089 | 0.8% | ▲ | 3.8% | ▲ |
| Currencies | Close | 1 Week | | YTD | |
| AUD/USD | 0.653 | 1.8% | ▲ | -4.1% | ▼ |
| EUR/USD | 1.069 | 0.3% | ▲ | -3.1% | ▼ |
| USD/JPY | 158.33 | 2.4% | ▲ | 12.3% | ▲ |
| GBP/USD | 1.25 | 1.0% | ▲ | -1.9% | ▼ |
| US\$ Index | 105.94 | -0.2% | ▼ | 4.5% | ▲ |
| Commodities | Close | 1 Week | | YTD | |
| Brent Oil (US\$/bbl) | 89.50 | 2.5% | ▲ | 16.2% | ▲ |
| Iron Ore (US\$/t) | 111.14 | 0.2% | ▲ | -18.5% | ▼ |
| Coking Coal (US\$/t) | 225.07 | -4.2% | ▼ | -18.4% | ▼ |
| Gold (US\$/oz) | 2,337.96 | -2.3% | ▼ | 13.3% | ▲ |

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