

Financial markets charts

The week that was

- The central banks of Japan, Europe and Canada left interest rates unchanged last week. The President of the European Central Bank continued to push back on expectations of imminent rate cuts but noted that a rate cut around the middle of this year is likely.
- US economic growth over the year to December 2023 was much stronger than expected (3.3%), supported by solid consumer spending. US Purchasing Managers Indexes (PMIs) also improved in January, highlighting the continued resilience of the US economy. At the same time, inflation continued to moderate in December, supporting the view that the US economy will have a soft landing.
- The People's Bank of China announced an unexpected easing of its monetary policy settings, most notably by lowering the reserve requirement ratio (RRR) for all banks by 50bps. Equity markets in China and Hong Kong rose strongly in response.
- Oil prices rose by 6.4% last week and the Australian dollar depreciated slightly, to back below US\$0.66.

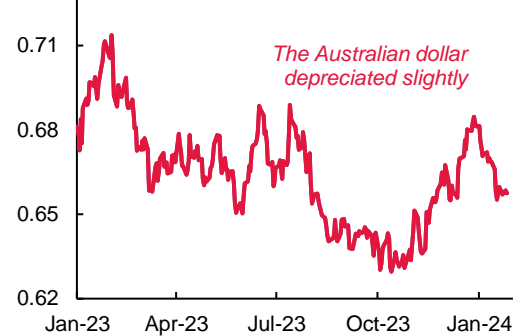
Economic calendar

Monday 29/01	US: Dallas Fed Manufacturing, Jan
Tuesday 30/01	AU: Retail sales, Dec EC: GDP, Dec qtr (adv)
Wednesday 31/01	US: Federal Reserve policy decision; ADP employment, Jan AU: CPI, Dec qtr & Dec month; Private sector credit, Dec CH: Official PMIs, Jan
Thursday 01/02	UK: Bank of England policy decision US: ISM Manufacturing, Jan EC: CPI, Jan (prelim) AU: Building approvals, Dec CH: Caixin PMIs, Jan
Friday 02/02	US: Non-farm payrolls, Jan

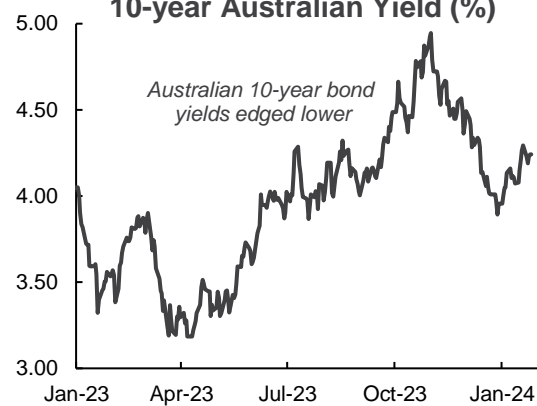
The week ahead

- Locally, the focus will be on the consumer price inflation data. After monthly inflation prints surprised to the downside in October and November, most forecasters expect inflation in the December quarter to be slightly below the RBA's most recent forecast. Retail spending data will also receive attention.
- Offshore, the US Federal Reserve's policy meeting will be the main event. Investors will focus on any comments about the potential timing of rate cuts. US employment data, the ISM manufacturing survey and earnings reports will also be closely watched.
- European GDP data will show just how weak economic activity was in the December quarter, and an updated read on inflation will also be released.

AUD/USD



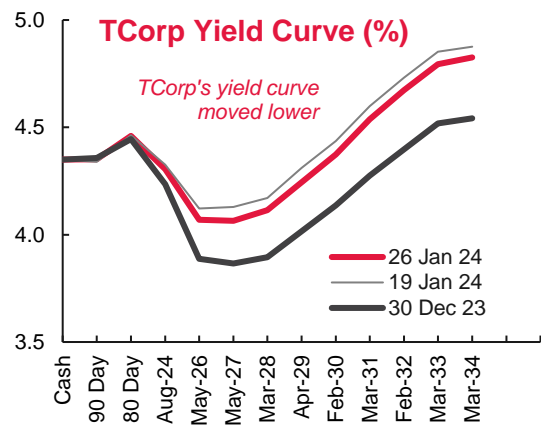
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 26 January 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.35	1	▲	-1	▼
3-year Australian Bond Yield	3.80	-6	▼	20	▲
10-year Australian Bond Yield	4.24	-5	▼	29	▲
20-year Australian Bond Yield	4.55	-4	▼	30	▲
10-year Australian Break-Even Inflation	2.53	-6	▼	-4	▼
10-year Australian Real Yield	1.71	0	▲	33	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.35	-4	▼	10	▲
10-year US Treasury Yield	4.14	1	▲	26	▲
30-year US Treasury Yield	4.37	4	▲	34	▲
10-year German Bund Yield	2.30	-4	▼	28	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
1.00% 8 February 2024	4.31	0	▼	0	▲
5.00% 20 August 2024	4.31	-2	▼	7	▲
1.25% 20 March 2025	4.20	-5	▼	16	▲
4.00% 20 May 2026	4.07	-5	▼	18	▲
3.00% 20 May 2027	4.06	-6	▼	20	▲
3.00% 20 March 2028	4.11	-6	▼	22	▲
3.00% 20 April 2029	4.24	-7	▼	23	▲
3.00% 20 February 2030	4.37	-6	▼	24	▲
2.00% 20 March 2031	4.54	-6	▼	26	▲
1.50% 20 February 2032	4.67	-6	▼	28	▲
2.00% 8 March 2033	4.79	-6	▼	28	▲
1.75% 20 March 2034	4.91	-5	▼	29	▲
2.75% 20 November 2025 CIB	1.35	-1	▼	29	▲
2.50% 20 November 2035 CIB	2.37	0	▲	30	▲
10-year NSW TCorp Bond Yield	4.84	-4	▼	29	▲
10-year TCV (Victoria) Spread	0.09	-1	▼	-2	▼
10-year QTC (Queensland) Spread	-0.08	0	▼	1	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,555	1.8%	▲	-0.5%	▼
S&P500 (US)	4,891	1.1%	▲	2.5%	▲
FTSE 100 (UK)	7,635	2.3%	▲	-1.3%	▼
DJ Stoxx600 (Europe)	484	3.1%	▲	1.0%	▲
Nikkei 225 (Japan)	35,751	-0.6%	▼	6.8%	▲
Shanghai Composite (China)	2,910	2.8%	▲	-2.2%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.658	-0.3%	▼	-3.5%	▼
EUR/USD	1.085	-0.4%	▼	-1.7%	▼
USD/JPY	148.15	0.0%	▲	5.0%	▲
GBP/USD	1.27	0.0%	—	-0.2%	▼
US\$ Index	103.43	0.1%	▲	2.1%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	83.55	6.4%	▲	8.5%	▲
Iron Ore (US\$/t)	135.31	1.0%	▲	-0.8%	▼
Coking Coal (US\$/t)	240.96	0.2%	▲	-12.6%	▼
Gold (US\$/oz)	2,018.52	-0.5%	▼	-2.2%	▼

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