

Weekly Economic Report

29 March 2021

The week that was

- It was a volatile week in global financial markets, with investors changing tack frequently. The captain of a large freighter traversing the Suez Canal changed tack too late, blocking 10% of global trade. The COVID-19 vaccine rollout ramped up in the US but remained sluggish in Europe. President Biden pressed for another large spending package for the US economy, focussed on infrastructure.
- The US S&P500 rose 1.6% and Australia's ASX200 gained 1.7%. European stocks recorded a more modest rise, while waning government support for China's economy weighed on its market.
- 10-year government bond yields fell, by 15bps in Australia and 4bps in the US. With near-term interest rates anchored by central bank policy, and yields on longer-dated bonds falling, yield curves flattened.
- The Suez Canal blockage affected oil prices – Brent oil traded in a wide range, between US\$60 and US\$65 per barrel while the Australian dollar fell 1.4% to US\$0.76, due to broad-based demand for US dollars.

Economic calendar

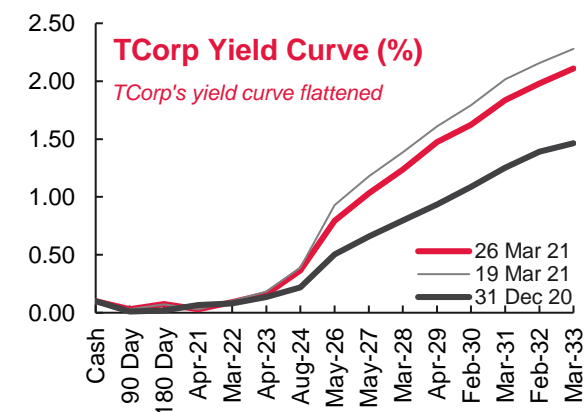
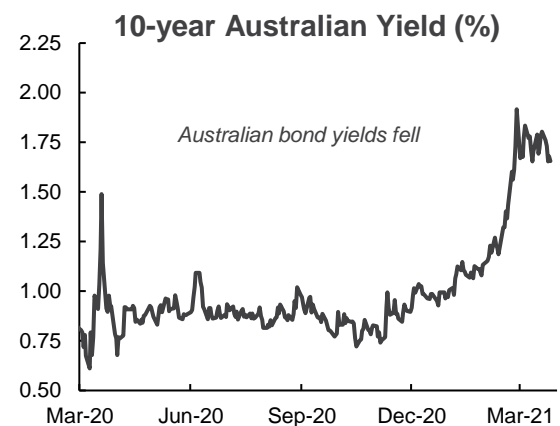
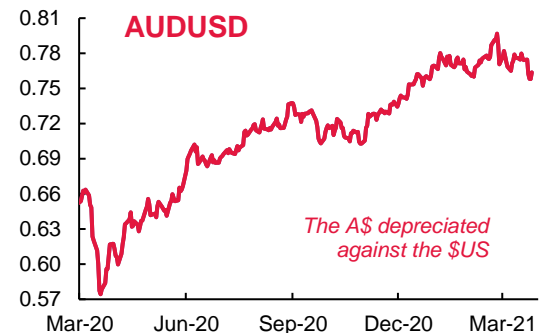
Monday

29/3	US: Dallas Fed manufacturing, Mar
Tuesday	AU: Payroll jobs and wages, 13 Mar
30/3	US: Consumer confidence, Mar
Wednesday	AU: Building approvals, Feb
31/3	EU: CPI, Mar
Thursday	AU: Trade balance, Feb
1/4	US: ISM manufacturing index, Mar
Friday	AU: Good Friday Holiday
2/4	US: Non-farm payrolls, Mar

The week ahead

- Australian financial markets will be closed for Good Friday and Easter Monday public holidays. Before then, a flood of second-tier economic indicators will provide insights into different parts of the economy. These include building approvals, trade data, retail sales, lending indicators, job vacancies, and payroll jobs and earnings. Markets will also ponder how the end of the JobKeeper wage subsidy and JobSeeker supplementary unemployment payment will affect the economy.
- Offshore, many financial markets will continue trading through Easter. Potential market-moving events include the ISM manufacturing index and employment in the US, Eurozone inflation data and China's purchasing managers indexes. Investors will also monitor the third wave of COVID-19 cases in Europe and the potential imposition of further restrictions.

Financial markets charts



Financial markets data: Week ending 26 March 2021

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.03	0	▲	2	▲
3-year Australian Bond Yield	0.10	0	▼	-1	▼
10-year Australian Bond Yield	1.66	-15	▼	69	▲
20-year Australian Bond Yield	2.42	-12	▼	71	▲
10-year Australian Break-Even Inflation	2.08	-3	▼	31	▲
10-year Australian Real Yield	-0.42	-12	▼	38	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	0.14	-1	▼	2	▲
10-year US Treasury Yield	1.68	-4	▼	76	▲
30-year US Treasury Yield	2.38	-6	▼	73	▲
10-year German Bund Yield	-0.35	-5	▼	22	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 8 April 2021	0.03	0	▲	-4	▼
6.00% 1 March 2022	0.09	-1	▼	1	▲
4.00% 20 April 2023	0.16	-2	▼	2	▲
1.00% 8 February 2024	0.29	-2	▼	9	▲
5.00% 20 August 2024	0.37	-3	▼	15	▲
4.00% 20 May 2026	0.79	-14	▼	29	▲
3.00% 20 May 2027	1.03	-15	▼	37	▲
3.00% 20 March 2028	1.24	-15	▼	44	▲
3.00% 20 April 2029	1.47	-13	▼	54	▲
3.00% 20 February 2030	1.62	-17	▼	54	▲
2.00% 20 March 2031	1.84	-18	▼	59	▲
2.00% 20 March 2032	2.11	-17	▼	65	▲
2.00% 20 March 2033	2.18	-17	▼	56	▲
2.75% 20 November 2025 CIB	-1.28	-5	▼	-17	▼
2.50% 20 November 2035 CIB	0.38	-6	▼	48	▲
10-year NSW TCorp Bond Yield	2.00	7	▲	76	▲
10-year TCV (Victoria) Spread	-0.02	0	▼	-4	▼
10-year QTC (Queensland) Spread	-0.02	1	▲	2	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,824	1.7%	▲	3.6%	▲
S&P500 (US)	3,975	1.6%	▲	5.8%	▲
FTSE 100 (UK)	6,741	0.5%	▲	4.3%	▲
DJ Stoxx 600 (Europe)	427	0.8%	▲	7.0%	▲
Nikkei 225 (Japan)	29,177	-2.1%	▼	6.3%	▲
Shanghai Composite (China)	3,418	0.4%	▲	-1.6%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.764	-1.4%	▼	-0.7%	▼
EUR/USD	1.179	-0.9%	▼	-3.5%	▼
USD/JPY	109.64	0.7%	▲	6.2%	▲
GBP/USD	1.38	-0.6%	▼	0.9%	▲
US\$ Index	92.72	0.9%	▲	3.1%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	64.37	-0.2%	▼	24.3%	▲
Iron Ore (US\$/t)	166.12	0.3%	▲	6.6%	▲
Coking Coal (US\$/t)	1,666.50	2.8%	▲	11.1%	▲
Gold (US\$/oz)	1,732.52	-0.7%	▼	-8.7%	▼

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