

The week that was

- Global financial markets slumped last week as a new, potentially potent COVID-19 variant emerged. Risk appetite nosedived, with equities and bond yields sliding.
- Despite the fears, economic data releases were decidedly positive. US personal income and spending were robust in October, while Eurozone business surveys suggested that activity was stronger than expected in November. The US central bank's preferred inflation gauge notched a firm 0.4% monthly gain in October, which is in line with expectations.
- Australian retail sales were strong in October, rising 4.9%. Business investment plans were also resilient when firms were surveyed in Q3.
- Australian 10-year yields slid 7bps to 1.74%, while TCorp's 10-year yield dropped 12bps to 2.09%. The US 10-year yield fell 7bps to 1.47%, while the German 10-year yield rose 1bp to -0.34%.
- Equity markets fell sharply. The European Stoxx600 led losses, falling 4.5%. The ASX200 fell 1.6% over the week, the US S&P500 dropped 2.2% and Japan's Nikkei 225 declined by 3.3%.
- The Australian dollar continued to decline, down 1.5% to US\$0.712.

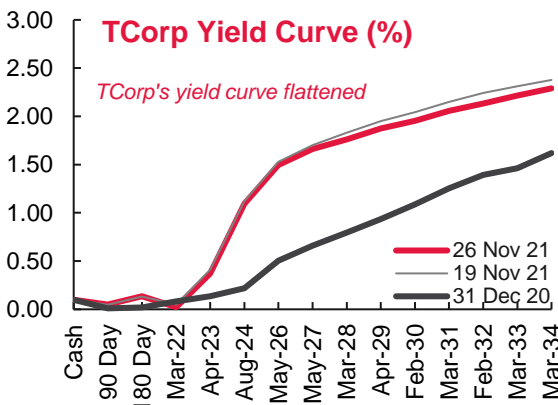
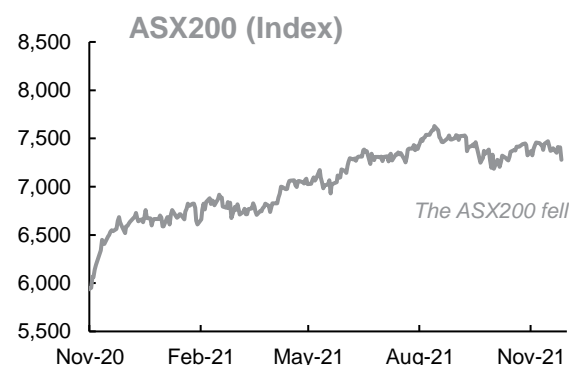
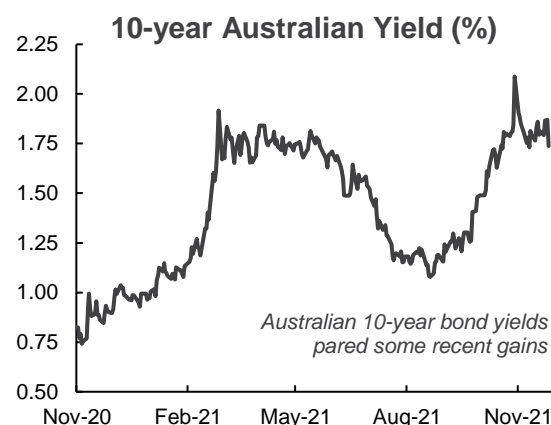
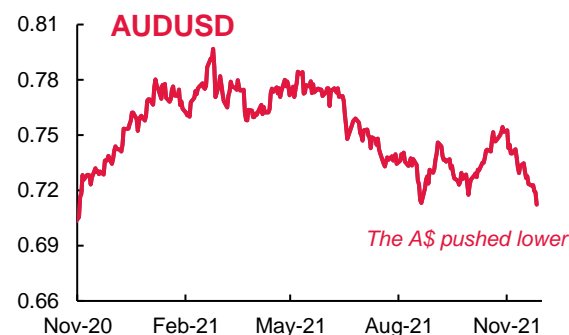
Economic calendar

Monday 29/11	AU: Company profits, Sep qtr, Inventories, Sep qtr
Tuesday 30/11	AU: Balance of payments, Sep qtr, Private sector credit, Oct, RBA Deputy Governor Debelle speech CH: PMIs, Nov US: Pending home sales, Oct
Wednesday 01/12	AU: GDP, Sep qtr CH: Caixin Manufacturing PMI, Nov US: House prices, Sep, Consumer confidence, Nov
Thursday 02/12	AU: Trade balance, Oct, Home loans, Oct US: Construction spending, Oct, ISM Manufacturing, Nov, Federal Reserve Beige Book, Nov, Vehicle sales, Nov
Friday 03/12	AU: Markit PMIs, Nov CH: Caixin Non-Manufacturing, Composite PMIs, Nov

The week ahead

- A series of global Purchasing Managers' Indexes – essentially business surveys – will be released this week, important for current readings on the strength of activity and price pressures. COVID-19 news will also be in focus, critical for the next leg of the recovery.

Financial markets charts



Financial markets data: Week ending 26 November 2021

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.05	0	▲	4	▲
3-year Australian Bond Yield	0.92	-4	▼	82	▲
10-year Australian Bond Yield	1.74	-7	▼	77	▲
20-year Australian Bond Yield	2.30	-11	▼	59	▲
10-year Australian Break-Even Inflation	2.11	-12	▼	34	▲
10-year Australian Real Yield	-0.37	5	▲	43	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	0.50	-1	▼	38	▲
10-year US Treasury Yield	1.47	-7	▼	56	▲
30-year US Treasury Yield	1.82	-9	▼	18	▲
10-year German Bund Yield	-0.34	1	▲	23	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.02	-3	▼	-6	▼
4.00% 20 April 2023	0.37	-4	▼	23	▲
1.00% 8 February 2024	0.91	-2	▼	71	▲
5.00% 20 August 2024	1.10	-3	▼	88	▲
4.00% 20 May 2026	1.50	-3	▼	99	▲
3.00% 20 May 2027	1.66	-4	▼	100	▲
3.00% 20 March 2028	1.76	-7	▼	96	▲
3.00% 20 April 2029	1.87	-8	▼	94	▲
3.00% 20 February 2030	1.95	-9	▼	86	▲
2.00% 20 March 2031	2.06	-10	▼	80	▲
1.50% 20 February 2032	2.13	-11	▼	74	▲
2.00% 8 March 2033	2.21	-10	▼	75	▲
3.50% 20 March 2034	2.29	-9	▼	67	▲
2.75% 20 November 2025 CIB	-0.90	9	▲	20	▲
2.50% 20 November 2035 CIB	0.29	3	▲	38	▲
10-year NSW TCorp Bond Yield	2.09	-12	▼	86	▲
10-year TCV (Victoria) Spread	0.03	2	▲	1	▲
10-year QTC (Queensland) Spread	0.01	1	▲	5	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,279	-1.6%	▼	10.5%	▲
S&P500 (US)	4,595	-2.2%	▼	22.3%	▲
FTSE100 (UK)	7,044	-2.5%	▼	9.0%	▲
DJ Stoxx600 (Europe)	464	-4.5%	▼	16.3%	▲
Nikkei 225 (Japan)	28,752	-3.3%	▼	4.8%	▲
Shanghai Composite (China)	3,564	0.1%	▲	2.6%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.712	-1.5%	▼	-7.4%	▼
EUR/USD	1.132	0.2%	▲	-7.4%	▼
USD/JPY	113.38	-0.5%	▼	9.8%	▲
GBP/USD	1.33	-0.8%	▼	-2.4%	▼
US\$ Index	96.09	0.1%	▲	6.8%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	72.72	-7.8%	▼	40.4%	▲
Iron Ore (US\$/t)	96.23	5.7%	▲	-39.3%	▼
Coking Coal (US\$/t)	2,556.00	5.8%	▲	70.3%	▲
Gold (US\$/oz)	1,802.59	-2.3%	▼	-5.0%	▼

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