

## Financial markets charts

### The week that was

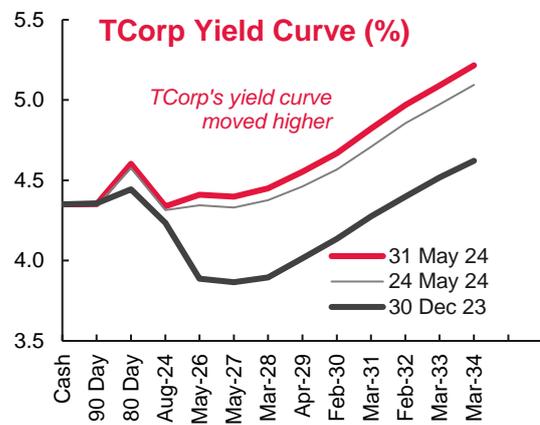
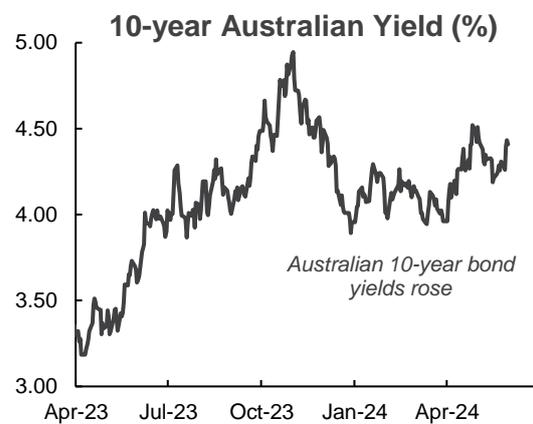
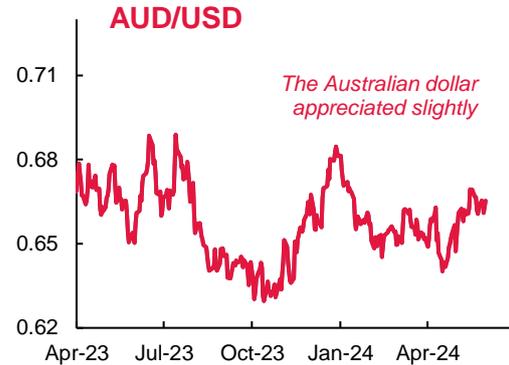
- Australian bond yields rose after inflation in April was higher than expected. The stronger print is unlikely to alter the near-term monetary policy outlook, as inflation is consistent with the Reserve Bank of Australia (RBA) forecasts. The RBA Board is also unlikely to fine-tune policy based on monthly data that can be volatile. Nonetheless, in an environment of elevated services price inflation, the RBA will pay close attention to any signs of a pick-up in the prices of consumer goods, such as clothing and footwear. Australian 10-year yields ended the week 10bps higher and the ASX200 declined by 0.3%.
- US inflation was in line with expectations in April, which was a relief to investors. While inflation is expected to ease further, it is expected to take longer to return to target than the US Federal Reserve (Fed) had hoped at the start of this year. US 10-year bond yields rose 3bps last week, partly due to a few weak US Treasury bond auctions, and the S&P500 fell by 0.5%.
- Australian data released over the past week continued to highlight weak economic activity. Retail spending has been particularly soft this year, and residential construction fell in the March quarter. Business investment has remained resilient, supported by investments in the green energy transition and data centres.

### Economic calendar

<b>Monday</b> 03/06	AU: Fair Work Commission decision on award & minimum wages CH: Caixin Manufacturing PMI, May
<b>Tuesday</b> 04/06	US: ISM Manufacturing index, May AU: Balance of payments, Mar qtr
<b>Wednesday</b> 05/06	AU: GDP, Mar qtr CA: Bank of Canada policy decision CH: Caixin Services PMI, May
<b>Thursday</b> 06/06	EU: ECB policy decision US: ISM Services index, May
<b>Friday</b> 07/06	US: Non-farm payrolls, May EC: GDP, Mar qtr (final release)

### The week ahead

- Locally, GDP data will show how much the Australian economy grew by in the March quarter. Expectations are for another quarter of very modest growth. Attention will also focus on the Fair Work Commission's annual decision on award and minimum wages.
- Offshore, investors will focus on whether the European Central Bank (ECB) and Bank of Canada (BoC) cut interest rates for the first time this cycle. The ECB is widely expected to cut rates, while the BoC is seen as likely to deliver the first rate cut in either June or July.
- The key offshore economic data are US employment data and the ISM surveys.



## Financial markets data: Week ending 31 May 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	4.05	6	▲	44	▲
10-year Australian Bond Yield	4.41	10	▲	45	▲
20-year Australian Bond Yield	4.68	9	▲	44	▲
10-year Australian Break-Even Inflation	2.48	0	–	-9	▼
10-year Australian Real Yield	1.93	10	▲	55	▲
Fed Funds Rate (lower bound)	5.25	0	–	0	–
2-year US Treasury Yield	4.87	-7	▼	62	▲
10-year US Treasury Yield	4.50	3	▲	62	▲
30-year US Treasury Yield	4.65	8	▲	62	▲
10-year German Bund Yield	2.66	8	▲	64	▲
<b>NSW TCorp Bonds</b>	<b>Close (%)</b>	<b>1 Week (bps)</b>		<b>YTD (bps)</b>	
5.00% 20 August 2024	4.34	2	▲	10	▲
1.25% 20 March 2025	4.41	3	▲	38	▲
4.00% 20 May 2026	4.41	6	▲	52	▲
3.00% 20 May 2027	4.40	7	▲	53	▲
3.00% 20 March 2028	4.45	7	▲	56	▲
3.00% 20 April 2029	4.55	9	▲	54	▲
3.00% 20 February 2030	4.67	10	▲	53	▲
2.00% 20 March 2031	4.82	11	▲	55	▲
1.50% 20 February 2032	4.97	11	▲	57	▲
2.00% 8 March 2033	5.09	12	▲	57	▲
1.75% 20 March 2034	5.22	12	▲	59	▲
2.75% 20 November 2025 CIB	1.74	0	–	67	▲
2.50% 20 November 2035 CIB	2.55	10	▲	48	▲
10-year NSW TCorp Bond Yield	5.19	12	▲	63	▲
10-year TCV (Victoria) Spread	0.06	0	▲	-5	▼
10-year QTC (Queensland) Spread	-0.01	0	▼	7	▲
<b>Equities</b>	<b>Close</b>	<b>1 Week</b>		<b>YTD</b>	
S&P/ASX200 (Australia)	7,702	-0.3%	▼	1.5%	▲
S&P500 (US)	5,278	-0.5%	▼	10.6%	▲
FTSE 100 (UK)	8,275	-0.5%	▼	7.0%	▲
DJ Stoxx600 (Europe)	518	-0.5%	▼	8.2%	▲
Nikkei 225 (Japan)	38,488	-0.4%	▼	15.0%	▲
Shanghai Composite (China)	3,087	-0.1%	▼	3.8%	▲
<b>Currencies</b>	<b>Close</b>	<b>1 Week</b>		<b>YTD</b>	
AUD/USD	0.665	0.4%	▲	-2.3%	▼
EUR/USD	1.085	0.0%	▲	-1.7%	▼
USD/JPY	157.31	0.2%	▲	11.5%	▲
GBP/USD	1.27	0.0%	▲	0.1%	▲
US\$ Index	104.67	-0.1%	▼	3.3%	▲
<b>Commodities</b>	<b>Close</b>	<b>1 Week</b>		<b>YTD</b>	
Brent Oil (US\$/bbl)	81.62	-0.6%	▼	5.9%	▲
Iron Ore (US\$/t)	117.52	-0.7%	▼	-13.8%	▼
Coking Coal (US\$/t)	163.70	-16.4%	▼	-40.6%	▼
Gold (US\$/oz)	2,327.33	-0.3%	▼	12.8%	▲

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