

The week that was

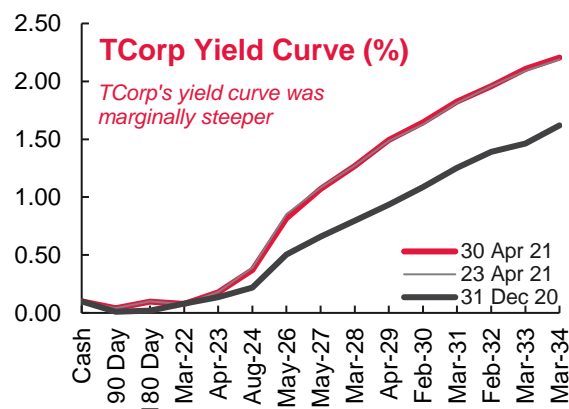
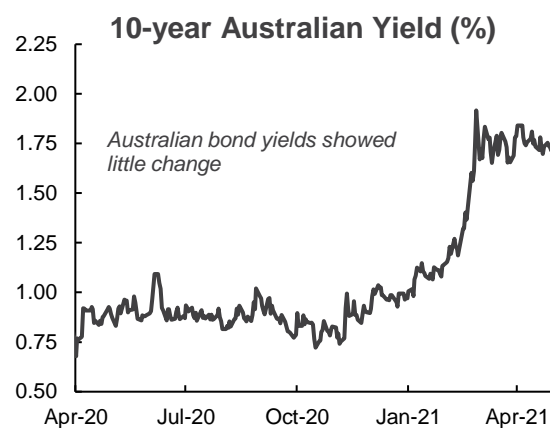
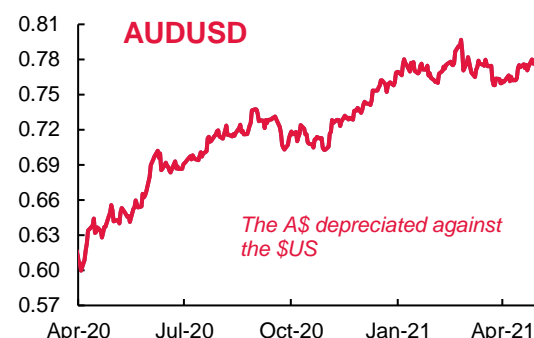
- Economic data continue to show an uneven global economic recovery, accompanied by low inflation. The US, China and Australia are pushing ahead, but COVID-19 related disruptions slowed Europe's recovery in Q1 and stalled the Indian economy.
- US company earnings for Q1 have surprised on the upside, lifting the US S&P500 stock market index to a record high mid-week. However, most stock markets recorded small falls, including Australia's ASX200 (-0.5%), the European Stoxx 600 (-0.4%) and China's Shanghai Composite (-0.8%).
- Australian inflation was lower than expected in Q1, narrowing the gap between US and Australian bond yields; US 10-year yields rose 7 bps to 1.63% while Australia's 10-year yields rose marginally to 1.75%. TCorp's March 2031 bond yield rose 1bp and the August 24 bond yield fell 2bps, so the TCorp yield curve ended the week marginally steeper.
- The US dollar appreciated against most currencies, with the Australian dollar slipping 0.3% to US\$0.772. Brent oil rose 1.7% to US\$67 per barrel, and iron ore climbed 0.6% to US\$180 per tonne.

Economic calendar

Monday 3/5	AU: Dwelling prices, Apr US: ISM manufacturing index, Apr
Tuesday 4/5	AU: RBA monetary policy decision AU: International trade, Mar
Wednesday 5/5	AU: Building approvals, Mar NZ: Employment & wages, Q1
Thursday 6/5	AU: RBA Dep Gov Debelle speech UK: BoE monetary policy decision
Friday 7/5	AU: RBA SoMP, May US: Non-farm payrolls, Apr

The week ahead

- The Reserve Bank of Australia (RBA) Board has its monthly policy meeting. The RBA will release new forecasts for the Australian economy that are expected to show unemployment falling faster and inflation rising sooner, but not changing by enough to warrant altering monetary policy settings. The RBA will elaborate on the reasons for its decision in the Statement on Monetary Policy.
- The Bank of England meets too and is also expected to revise up its forecasts for the UK economic outlook, without reducing the extent of monetary policy support for the economy.
- Turning to economic data, the state of the Australian housing market will be in the spotlight, with the latest statistics on house prices, building approvals and new lending due for release. Offshore, investors will focus on the US employment data at the end of the week.



Financial markets data: Week ending 30 April 2021

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.10	0	—	0	—
90-day BBSW	0.04	0	▼	3	▲
3-year Australian Bond Yield	0.30	-3	▼	19	▲
10-year Australian Bond Yield	1.75	1	▲	78	▲
20-year Australian Bond Yield	2.45	2	▲	74	▲
10-year Australian Break-Even Inflation	2.16	-6	▼	39	▲
10-year Australian Real Yield	-0.41	7	▲	39	▲
Fed Funds Rate (lower bound)	0.00	0	—	0	—
2-year US Treasury Yield	0.16	0	▲	4	▲
10-year US Treasury Yield	1.63	7	▲	71	▲
30-year US Treasury Yield	2.30	6	▲	65	▲
10-year German Bund Yield	-0.20	6	▲	37	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 March 2022	0.08	0	▲	0	▼
4.00% 20 April 2023	0.18	0	▼	4	▲
1.00% 8 February 2024	0.30	-1	▼	11	▲
5.00% 20 August 2024	0.37	-2	▼	15	▲
4.00% 20 May 2026	0.82	-4	▼	31	▲
3.00% 20 May 2027	1.07	-1	▼	41	▲
3.00% 20 March 2028	1.27	0	▼	47	▲
3.00% 20 April 2029	1.49	1	▲	56	▲
3.00% 20 February 2030	1.64	1	▲	56	▲
2.00% 20 March 2031	1.83	1	▲	57	▲
1.50% 20 February 2032	1.96	0	▲	57	▲
2.00% 8 March 2033	2.11	2	▲	64	▲
2.75% 20 November 2025 CIB	-1.34	10	▲	-23	▼
2.50% 20 November 2035 CIB	0.32	6	▲	41	▲
10-year NSW TCorp Bond Yield	1.84	1	▲	60	▲
10-year TCV (Victoria) Spread	0.00	0	▼	-2	▼
10-year QTC (Queensland) Spread	0.01	0	▼	5	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,026	-0.5%	▼	6.7%	▲
S&P500 (US)	4,181	0.0%	▲	11.3%	▲
FTSE 100 (UK)	6,970	0.5%	▲	7.9%	▲
DJ Stoxx 600 (Europe)	437	-0.4%	▼	9.6%	▲
Nikkei 225 (Japan)	28,813	-0.7%	▼	5.0%	▲
Shanghai Composite (China)	3,447	-0.8%	▼	-0.8%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.772	-0.3%	▼	0.3%	▲
EUR/USD	1.202	-0.6%	▼	-1.6%	▼
USD/JPY	109.31	1.3%	▲	5.9%	▲
GBP/USD	1.38	-0.4%	▼	1.1%	▲
US\$ Index	91.30	0.5%	▲	1.5%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	67.25	1.7%	▲	29.8%	▲
Iron Ore (US\$/t)	179.63	0.6%	▲	15.3%	▲
Coking Coal (US\$/t)	1,610.00	-1.4%	▼	7.3%	▲
Gold (US\$/oz)	1,769.13	-0.5%	▼	-6.8%	▼

Brian Redican
Chief Economist
brian.redican@tcorp.nsw.gov.au

Mike Thomas
Senior Economist
mike.thomas@tcorp.nsw.gov.au



Level 7, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000, Australia

T +61 2 9325 9325

W www.tcorp.nsw.gov.au

ABN 99 095 235 825

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