

Financial markets charts

The week that was

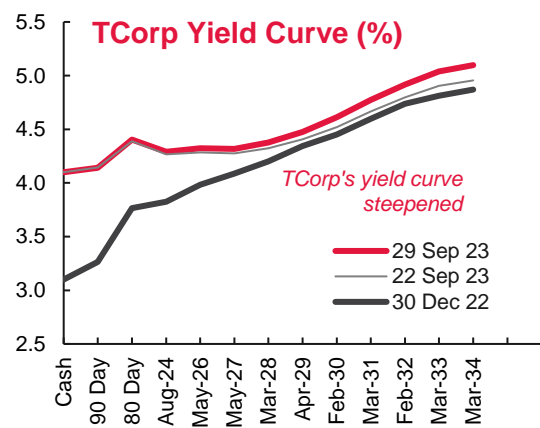
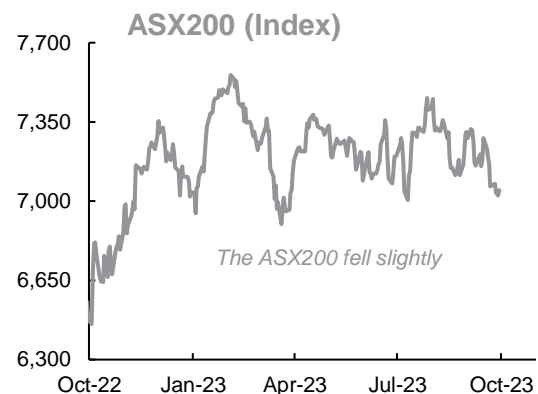
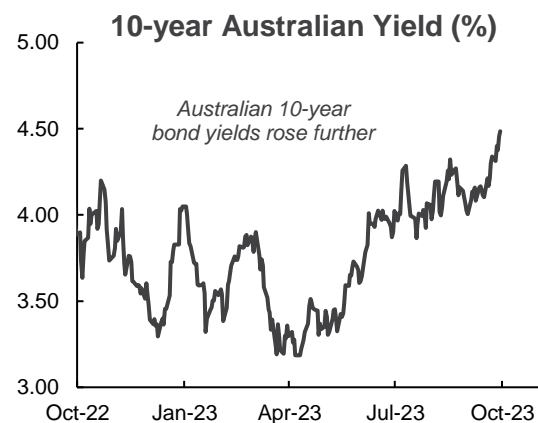
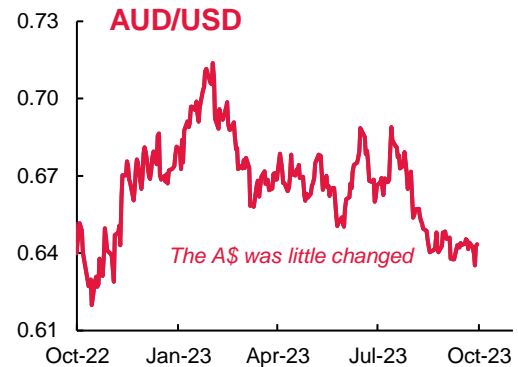
- Global inflation data was mostly positive last week. In the US, the core Personal Consumption Expenditure (PCE) deflator was slightly weaker than expected, at 0.1% in August and 3.9% higher over the year. Inflation in Europe and Japan was also lower than expected in September.
- Inflation in Australia rose to 5.2% in the year to August, boosted by higher fuel prices. However, inflation excluding volatile items continued to trend lower. Despite high inflation, retail sales values have been little changed over the past year. There is also increasing evidence that labour market conditions are easing, with job vacancies falling by 9% in the 3 months to August.
- Signs of weakness are emerging in the US household sector, with falling new home sales and consumer confidence. Household spending in the June quarter was also revised substantially lower.
- Longer-dated bond yields rose further last week, with 10-year bond yields up 14bps in the US and 15bps in Australia. Global equity markets fell, with the S&P500 declining 0.7% and the ASX200 0.3% lower. The Australian dollar was little changed, sitting at around US\$0.64.
- Amid supply concerns, oil prices rose 2.2% last week, reaching their highest level since November 2022.

Economic calendar

Monday 02/10	JN: Tankan survey, Sep qtr US: ISM manufacturing, Sep
Tuesday 03/10	AU: RBA policy decision; Building approvals, Aug; Housing lending indicators, Aug
Wednesday 04/10	US: ADP employment, Sep NZ: RBNZ policy decision
Thursday 05/10	US: ISM services, Sep AU: Trade balance, Aug
Friday 06/10	US: Non-farm payrolls, Sep CA: Labour market data, Sep

The week ahead

- Locally, the focus will be on the Reserve Bank of Australia's policy decision. The Reserve Bank of New Zealand also has its policy meeting this week. Both central banks are expected to keep interest rates steady.
- The focus globally will be on US employment data and whether it provides further evidence that labour market conditions are loosening.
- The ISM indexes will also provide updated reads on US manufacturing and services sector activity, with the latter showing a surprising strengthening in recent months.



Financial markets data: Week ending 29 September 2023

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.10	0	—	100	▲
90-day BBSW	4.14	-1	▼	88	▲
3-year Australian Bond Yield	4.08	5	▲	58	▲
10-year Australian Bond Yield	4.49	15	▲	44	▲
20-year Australian Bond Yield	4.78	16	▲	41	▲
10-year Australian Break-Even Inflation	2.55	2	▲	9	▲
10-year Australian Real Yield	1.94	13	▲	35	▲
Fed Funds Rate (lower bound)	5.25	0	—	100	▲
2-year US Treasury Yield	5.04	-7	▼	62	▲
10-year US Treasury Yield	4.57	14	▲	70	▲
30-year US Treasury Yield	4.70	17	▲	74	▲
10-year German Bund Yield	2.84	10	▲	27	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
1.00% 8 February 2024	4.25	4	▲	51	▲
5.00% 20 August 2024	4.29	3	▲	47	▲
1.25% 20 March 2025	4.40	4	▲	56	▲
4.00% 20 May 2026	4.32	4	▲	34	▲
3.00% 20 May 2027	4.32	4	▲	23	▲
3.00% 20 March 2028	4.38	5	▲	18	▲
3.00% 20 April 2029	4.48	7	▲	13	▲
3.00% 20 February 2030	4.61	9	▲	16	▲
2.00% 20 March 2031	4.77	11	▲	17	▲
1.50% 20 February 2032	4.92	12	▲	18	▲
2.00% 8 March 2033	5.04	13	▲	23	▲
3.50% 20 March 2034	5.10	14	▲	23	▲
2.75% 20 November 2025 CIB	1.53	4	▲	72	▲
2.50% 20 November 2035 CIB	2.61	11	▲	17	▲
10-year NSW TCorp Bond Yield	5.03	13	▲	28	▲
10-year TCV (Victoria) Spread	0.04	0	▲	0	▼
10-year QTC (Queensland) Spread	-0.07	-2	▼	-2	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,049	-0.3%	▼	0.1%	▲
S&P500 (US)	4,288	-0.7%	▼	11.7%	▲
FTSE 100 (UK)	7,608	-1.0%	▼	2.1%	▲
DJ Stoxx600 (Europe)	450	-0.7%	▼	6.0%	▲
Nikkei 225 (Japan)	31,858	-1.7%	▼	22.1%	▲
Shanghai Composite (China)	3,110	-0.7%	▼	0.7%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.644	-0.1%	▼	-5.5%	▼
EUR/USD	1.057	-0.8%	▼	-1.2%	▼
USD/JPY	149.37	0.7%	▲	13.9%	▲
GBP/USD	1.22	-0.3%	▼	1.0%	▲
US\$ Index	106.17	0.6%	▲	2.6%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	95.31	2.2%	▲	10.9%	▲
Iron Ore (US\$/t)	120.79	-1.0%	▼	8.5%	▲
Coking Coal (US\$/t)	239.11	-1.0%	▼	-33.6%	▼
Gold (US\$/oz)	1,848.63	-4.0%	▼	1.3%	▲

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