

Financial markets charts

The week that was

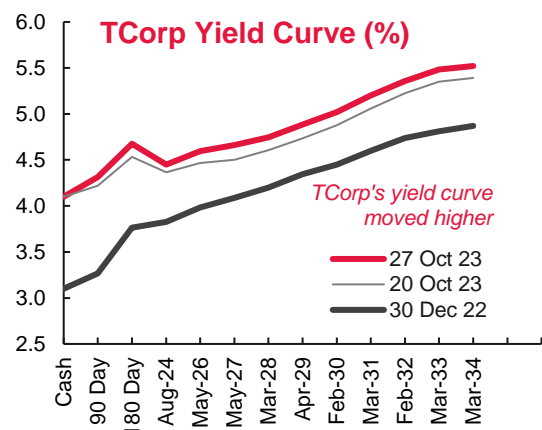
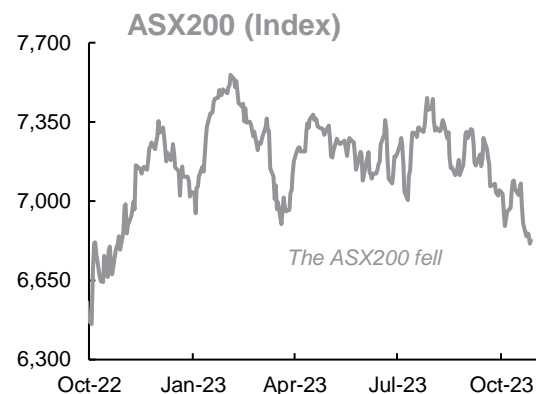
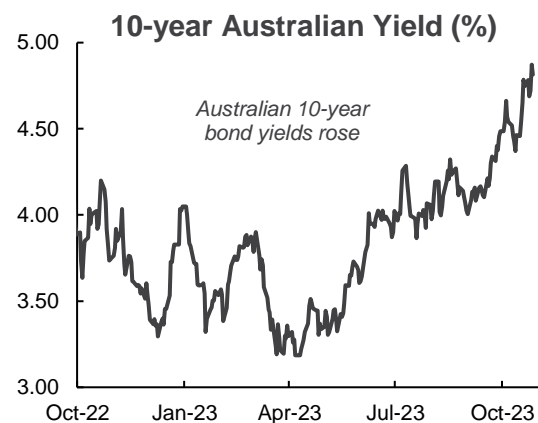
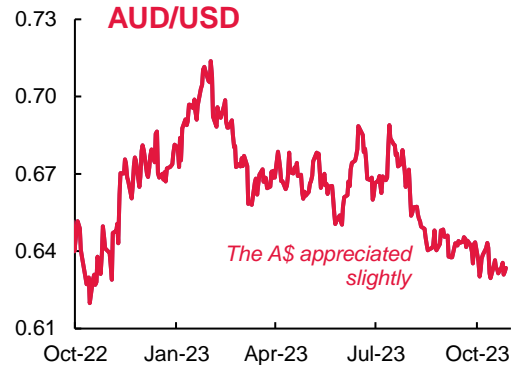
- Consumer price inflation in Australia was stronger than expected in the September quarter, driven by large price increases for fuel, housing and electricity. This, combined with comments by the Reserve Bank of Australia Governor that were interpreted as hawkish, drove Australian bond yields higher last week. The ASX200 fell 1.1% and the Australian dollar rose 0.3%.
- Data in the US was positive last week. Core inflation was as expected in September and continues to moderate. At the same time, the US economy grew by more than expected in the September quarter. US 10-year bond yields ended the week 8bps lower, while the S&P500 fell by 2.5%, weighed down by some disappointing corporate earnings reports and concerns about the situation in the Middle East.
- The European Central Bank and Bank of Canada left their policy rates unchanged, though both retained a tightening bias. PMI data suggests that European economic activity is much weaker than in the US.

Economic calendar

Monday 30/10	AU: Retail sales, Sep GE: GDP, Sep qtr (prelim)
Tuesday 31/10	JN: Bank of Japan policy decision US: Employment Cost Index, Sep qtr EC: GDP, Sep qtr (adv); CPI, Oct CH: Official PMIs, Oct AU: Private sector credit, Sep
Wednesday 01/11	US: Federal Reserve policy decision; ADP employment, Oct AU: Building approvals, Sep CH: Caixin PMIs, Oct
Thursday 02/11	UK: Bank of England policy decision US: ISM manufacturing, Oct AU: Housing lending indicators, Sep
Friday 03/11	US: Non-farm payrolls, Oct AU: Retail sales volumes, Sep qtr

The week ahead

- Central banks in the UK, US and Japan meet this week and are expected to leave their policy rates unchanged. In the US, inflation is falling while economic activity has been resilient and higher bond yields are working to tighten financial conditions. In Japan, 10-year bond yields have increased alongside the rise in global yields, contributing to further depreciation of the Japanese yen and increasing speculation that the Bank of Japan might adjust its Yield Curve Control policy again soon.
- US wages growth and payrolls data will be closely watched, as will the ISM Manufacturing index. In Europe, GDP and inflation data will be the focus.
- Retail spending and building approvals data will be the focus locally, with both weak over the past year.



Financial markets data: Week ending 27 October 2023

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.10	0	—	100	▲
90-day BBSW	4.31	9	▲	105	▲
3-year Australian Bond Yield	4.31	11	▲	81	▲
10-year Australian Bond Yield	4.81	7	▲	76	▲
20-year Australian Bond Yield	5.14	4	▲	76	▲
10-year Australian Break-Even Inflation	2.68	6	▲	22	▲
10-year Australian Real Yield	2.14	1	▲	55	▲
Fed Funds Rate (lower bound)	5.25	0	—	100	▲
2-year US Treasury Yield	5.00	-7	▼	58	▲
10-year US Treasury Yield	4.83	-8	▼	96	▲
30-year US Treasury Yield	5.01	-6	▼	105	▲
10-year German Bund Yield	2.83	-6	▼	26	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
1.00% 8 February 2024	4.37	4	▲	63	▲
5.00% 20 August 2024	4.45	8	▲	62	▲
1.25% 20 March 2025	4.56	10	▲	72	▲
4.00% 20 May 2026	4.60	13	▲	61	▲
3.00% 20 May 2027	4.66	16	▲	57	▲
3.00% 20 March 2028	4.75	14	▲	55	▲
3.00% 20 April 2029	4.88	15	▲	54	▲
3.00% 20 February 2030	5.02	14	▲	57	▲
2.00% 20 March 2031	5.20	14	▲	60	▲
1.50% 20 February 2032	5.36	13	▲	62	▲
2.00% 8 March 2033	5.48	13	▲	67	▲
3.50% 20 March 2034	5.52	13	▲	65	▲
2.75% 20 November 2025 CIB	1.57	-4	▼	76	▲
2.50% 20 November 2035 CIB	2.84	3	▲	40	▲
10-year NSW TCorp Bond Yield	5.48	14	▲	72	▲
10-year TCV (Victoria) Spread	0.08	2	▲	3	▲
10-year QTC (Queensland) Spread	-0.09	0	▼	-3	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,827	-1.1%	▼	-3.0%	▼
S&P500 (US)	4,117	-2.5%	▼	7.2%	▲
FTSE 100 (UK)	7,291	-1.5%	▼	-2.2%	▼
DJ Stoxx600 (Europe)	430	-1.0%	▼	1.1%	▲
Nikkei 225 (Japan)	30,992	-0.9%	▼	18.8%	▲
Shanghai Composite (China)	3,018	1.2%	▲	-2.3%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.634	0.3%	▲	-7.0%	▼
EUR/USD	1.057	-0.3%	▼	-1.3%	▼
USD/JPY	149.66	-0.1%	▼	14.1%	▲
GBP/USD	1.21	-0.3%	▼	0.3%	▲
US\$ Index	106.56	0.4%	▲	2.9%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	90.48	-1.8%	▼	5.3%	▲
Iron Ore (US\$/t)	118.88	1.3%	▲	6.8%	▲
Coking Coal (US\$/t)	240.67	-0.7%	▼	-33.2%	▼
Gold (US\$/oz)	2,006.37	1.3%	▲	10.0%	▲

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