

The week that was

- Geopolitical risks dominated headlines last week. On Tuesday, US House of Representatives' Speaker Nancy Pelosi announced she would launch an official impeachment inquiry against President Trump. In the UK, the Parliament resumed after the Supreme Court ruled Prime Minister Johnson's suspension of parliament was unlawful.
- Political uncertainty weighed on investor sentiment. The S&P500 fell 1.0% along with most other equity markets. The ASX200 fell 0.2% while stocks were down 0.9% in Japan and 2.5% in Shanghai. The UK market rose 1.1% as a hard-Brexit appeared less likely after the court ruling. Bond yields continued to edge lower, with the US 10-year yield down 4bps while the Australian 10-year yield fell 7bps.
- The contrast between the US and German economic performances persists. PMI surveys showed Germany's manufacturing sector in deep contraction while the services sector is now also losing ground. In contrast, both readings in the US were solid and improving in September.
- The number of job vacancies in Australia recorded its first annual fall since 2014, down 1.9% y/y in the August quarter.

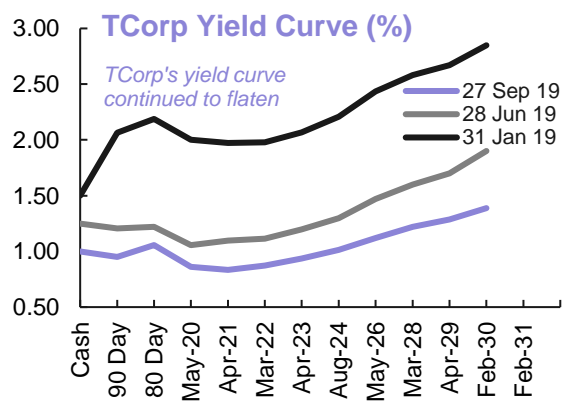
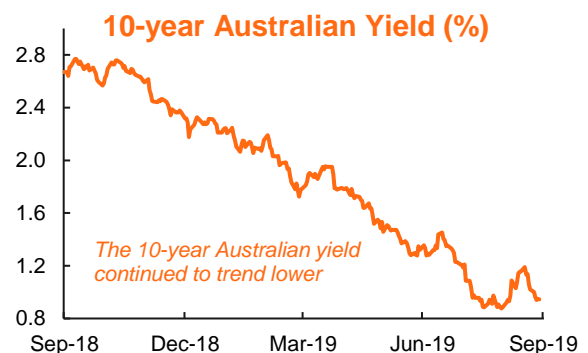
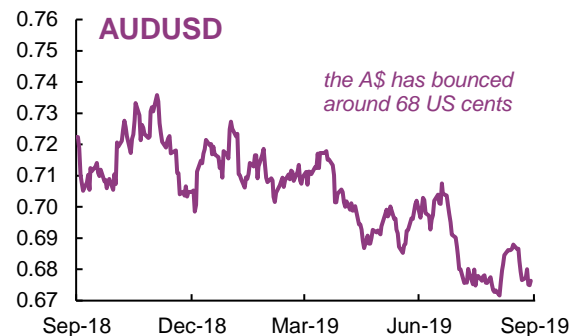
Economic calendar

Monday 30/9	CH: Manufacturing/Services PMI
Tuesday 01/10	AU: RBA policy meeting and speech, Building approvals US: ISM Manufacturing PMI
Thursday 03/10	US: Factory orders, ISM Services PMI
Friday 04/10	AU: Retail sales, RBA FSR US: Non-farm payrolls

The week ahead

- It will be a busy week ahead for investors. The Reserve Bank of Australia (RBA) Board will meet on Tuesday where it is expected to cut interest rates by another 25bps, followed by a speech by Governor Lowe later that day. Building approvals and retail sales will also be released this week and will provide a timely read on the economy.
- US non-farm payrolls will be the focus this week for global investors. Global PMI surveys including China will also be closely watched.

Financial markets charts



Financial markets data: Week ending 27 September 2019

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	1.00	0	—	-50	▼
90-day BBSW	0.95	3	▲	-114	▼
3-year Australian Bond Yield	0.70	-4	▼	-115	▼
10-year Australian Bond Yield	0.95	-7	▼	-137	▼
20-year Australian Bond Yield	1.36	-6	▼	-132	▼
10-year Australian Break-Even Inflation	1.25	3	▲	-39	▼
10-year Australian Real Yield	-0.31	-10	▼	-99	▼
Fed Funds Rate (lower bound)	1.75	0	—	-50	—
2-year US Treasury Yield	1.63	-5	▼	-86	▼
10-year US Treasury Yield	1.68	-4	▼	-100	▼
30-year US Treasury Yield	2.13	-3	▼	-89	▼
10-year German Bund Yield	-0.57	-5	▼	-82	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 May 2020	0.86	-3	▼	-116	▼
4.00% 8 April 2021	0.83	-2	▼	-119	▼
6.00% 1 March 2022	0.87	-3	▼	-117	▼
4.00% 20 April 2023	0.93	-3	▼	-125	▼
5.00% 20 August 2024	1.01	-4	▼	-131	▼
4.00% 20 May 2026	1.12	-5	▼	-142	▼
3.00% 20 May 2027	1.22	-7	▼	-145	▼
3.00% 20 March 2028	1.29	-7	▼	-145	▼
3.00% 20 April 2029	1.39	-7	▼	-146	▼
3.00% 20 February 2030	1.44	-8	▼	-146	▼
3.75% 20 August 2020 CIB	-0.27	-6	▼	-93	▼
2.75% 20 November 2025 CIB	-0.04	-6	▼	-97	▼
2.50% 20 November 2035 CIB	0.44	-9	▼	-80	▼
10-year NSW TCorp Bond Yield	1.43	-7	▼	-138	▼
10-year TCV (Victoria) Spread	-0.02	-1	▼	2	▲
10-year QTC (Queensland) Spread	0.04	0	▲	-2	▼
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	6,716	-0.2%	▼	18.9%	▲
S&P 500 (US)	2,962	-1.0%	▼	18.1%	▲
FTSE 100 (UK)	7,426	1.1%	▲	10.4%	▲
DJ Stoxx 600 (Europe)	392	-0.3%	▼	16.0%	▲
Nikkei 225 (Japan)	21,879	-0.9%	▼	9.3%	▲
Shanghai Composite (China)	2,932	-2.5%	▼	17.6%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.676	0.0%	▼	-4.0%	▼
EUR/USD	1.094	-0.7%	▼	-4.6%	▼
USD/JPY	107.92	0.3%	▲	-1.6%	▼
GBP/USD	1.23	-1.5%	▼	-3.6%	▼
US\$ Index	99.11	0.6%	▲	3.1%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	61.91	-3.7%	▼	15.1%	▲
Iron Ore (US\$/t)	92.83	-0.1%	▼	30.5%	▲
Coking Coal (US\$/t)	1,299.50	-6.3%	▼	-10.1%	▼
Gold (US\$/oz)	1,497.01	-1.3%	▼	16.7%	▲

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