

Financial markets charts

The week that was

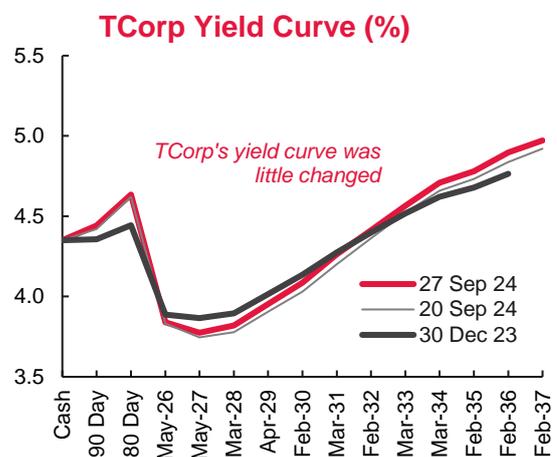
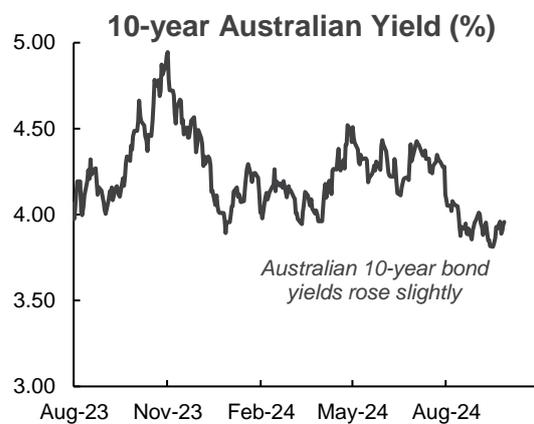
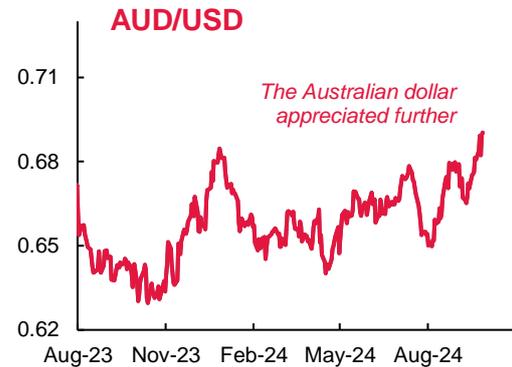
- The Reserve Bank of Australia (RBA) Board left interest rates unchanged as it remains concerned about inflation taking too long to return to target. However, the RBA was seen to be less hawkish than after its August meeting because the Board did not explicitly discuss the option of a rate rise. This led to investors assigning a greater chance to the first rate cut occurring in 2024 (currently 70%). Australian 10-year bond yields ended the week 4bps higher.
- Locally, data showed that inflation fell further in August (even looking through the impact of electricity rebates in the month) and the labour market continued to gradually loosen.
- Chinese authorities announced a raft of stimulus measures aimed at boosting economic growth, including the ailing property sector. Measures to support China's equity market were also announced. The announcements boosted investor sentiment and saw China's equity market gain 13% last week.
- The prospect of stronger growth in China boosted some commodity prices, as well as the share prices of Australian resources companies. Weakness in banking stocks, however, saw the ASX200 unchanged last week. The Australian dollar appreciated by a further 1.4% against the US dollar, to US\$0.69, its highest level since early 2023.
- US 10-year bond yields were little changed last week and the S&P500 rose 0.6%.
- Oil prices fell 3.4%, weighed down by the prospect of increased supply from Saudi Arabia.
- Sweden's central bank lowered rates by 25bps, the third rate cut for this cycle.

Economic calendar

Monday 30/09	CH: PMIs, Sep UK: GDP, Jun qtr (final)
Tuesday 01/10	AU: Retail sales, Aug; Building approvals, Aug EC: CPI, Sep (preliminary)
Wednesday 02/10	US: ISM Manufacturing index, Sep; JOLTS job openings, Aug
Thursday 03/10	
Friday 04/10	US: Non-farm payrolls, Sep; ISM Services index, Sep

The week ahead

- US data will be the focus globally this week, particularly employment growth. ISM surveys will also provide timely reads of economic activity.
- Locally, retail sales data for August will be analysed for signs of a boost to spending after the Stage 3 income tax cuts and electricity rebates.



Financial markets data: Week ending 27 September 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	–	0	–
90-day BBSW	4.44	2	▲	8	▲
3-year Australian Bond Yield	3.53	2	▲	-8	▼
10-year Australian Bond Yield	3.96	4	▲	0	▲
20-year Australian Bond Yield	4.52	8	▲	27	▲
10-year Australian Break-Even Inflation	2.33	2	▲	-24	▼
10-year Australian Real Yield	1.63	2	▲	24	▲
Fed Funds Rate (lower bound)	4.75	0	–	-50	▼
2-year US Treasury Yield	3.56	-3	▼	-69	▼
10-year US Treasury Yield	3.75	1	▲	-13	▼
30-year US Treasury Yield	4.10	2	▲	8	▲
10-year German Bund Yield	2.13	-8	▼	11	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.84	1	▲	-5	▼
3.00% 20 May 2027	3.77	3	▲	-9	▼
3.00% 20 March 2028	3.82	4	▲	-7	▼
3.00% 20 April 2029	3.95	5	▲	-6	▼
3.00% 20 February 2030	4.09	6	▲	-5	▼
2.00% 20 March 2031	4.26	6	▲	-1	▼
1.50% 20 February 2032	4.41	5	▲	2	▲
2.00% 8 March 2033	4.56	4	▲	5	▲
1.75% 20 March 2034	4.71	5	▲	9	▲
4.75% 20 February 2035	4.78	5	▲	10	▲
4.25% 20 February 2036	4.90	6	▲	13	▲
4.75% 20 February 2037	4.97	5	▲	--	--
2.75% 20 November 2025 CIB	1.52	0	–	46	▲
2.50% 20 November 2035 CIB	2.33	4	▲	26	▲
10-year NSW TCorp Bond Yield	4.73	5	▲	17	▲
10-year TCV (Victoria) Spread	0.06	-1	▼	-5	▼
10-year QTC (Queensland) Spread	-0.01	0	▼	7	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,212	0.0%	▲	8.2%	▲
S&P500 (US)	5,738	0.6%	▲	20.3%	▲
FTSE 100 (UK)	8,321	1.1%	▲	7.6%	▲
DJ Stoxx600 (Europe)	528	2.7%	▲	10.2%	▲
Nikkei 225 (Japan)	39,830	5.6%	▲	19.0%	▲
Shanghai Composite (China)	3,088	12.8%	▲	3.8%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.690	1.4%	▲	1.3%	▲
EUR/USD	1.116	0.0%	–	1.1%	▲
USD/JPY	142.21	-1.1%	▼	0.8%	▲
GBP/USD	1.34	0.4%	▲	5.1%	▲
US\$ Index	100.38	-0.3%	▼	-0.9%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	71.98	-3.4%	▼	-6.6%	▼
Iron Ore (US\$/t)	93.50	1.7%	▲	-31.4%	▼
Coking Coal (US\$/t)	143.34	-5.3%	▼	-48.0%	▼
Gold (US\$/oz)	2,658.24	1.4%	▲	28.9%	▲

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

Emily Perry
Senior Economist
emily.perry@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 99 235 825

Disclaimer

The opinions, forecasts and data contained in this report is based on the research of TCorp as at the date of publication and is subject to change without notice. TCorp is not responsible for the accuracy, adequacy, completeness of any information in the report provided by third parties. This report is provided for general information purposes only and should not be relied upon for investment or trading purposes. This report is not intended to forecast or predict future events.

Unauthorised copying and distribution of this material is prohibited.

© New South Wales Treasury Corporation 2024. All rights reserved.

About TCorp

TCorp provides best-in-class investment management, financial management, solutions and advice to the New South Wales (NSW) public sector. With A\$112 billion of assets under management, TCorp is a top 10 Australian investment manager and is the central borrowing authority of the state of NSW, with a balance sheet of A\$183 billion. It is rated Aaa (Stable) by Moody's, AAA (Stable) by Fitch, and AA+ (Stable) by S&P.