

Financial markets charts

The week that was

- Last week, inflation data released in the US, Europe and Australia were surprisingly subdued. This suggests that inflation could be receding quickly and supports the view that central banks are at the end of their tightening cycles. In contrast to the more dovish tone taken by central bank officials in the US and Europe, comments by the Reserve Bank of Australia Governor continue to be hawkish.
- In Australia, retail sales fell by 0.2% in October and have been weak over the past year as consumers face higher interest rates and a rising cost of living. Australian 10-year bond yields fell 5bps and the ASX200 rose 0.5% last week.
- There are increasing signs that the US Federal Reserve's (Fed) monetary policy tightening to date is weighing on economic activity. New home sales and manufacturing activity are weak, and consumers are saving less to continue spending. The softer data combined with more dovish comments by Fed officials saw US 10-year bond yields fall 27bps and the S&P500 gain 0.8%. US 2-year yields fell 41bps.
- The improved risk sentiment saw the Australian dollar appreciate by 1.4% to almost \$US0.67.
- Oil prices ended the week 2.1% lower, as production cuts announced by OPEC+ fell short of expectations.

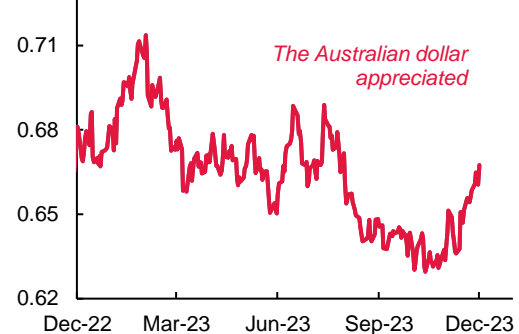
Economic calendar

| | |
|----------------------------------|---|
| Monday 04/12 | AU: Business indicators, Sep qtr; Lending indicators, Oct |
| Tuesday 05/12 | AU: RBA policy decision; Net exports, Sep qtr |
| Wednesday 06/12 | AU: GDP, Sep qtr US: ISM Services index, Nov; ADP employment, Nov CA: Bank of Canada policy decision |
| Thursday 07/12 | EU: GDP, Sep qtr (final) |
| Friday 08/12 | US: Non-farm payrolls, Nov; Uni of Michigan sentiment, Dec (prelim) CH: CPI and PPI, Nov |

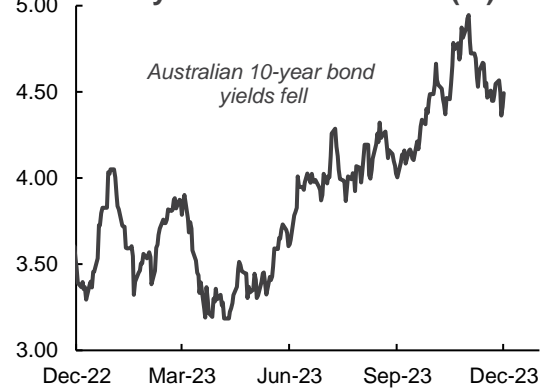
The week ahead

- The RBA is widely expected to keep rates on hold at its final board meeting of the year, particularly after the softer monthly inflation data last week. Investors will be watching for any change in forward guidance, though the RBA is likely to retain its tightening bias.
- The Australian national accounts for the September quarter will be released. Expectations are that the Australian economy grew by 0.4%, the same pace as the first half of this year.
- US non-farm payroll data will show whether the labour market has continued to cool, and the ISM services index will provide an updated read on service sector activity.

AUD/USD



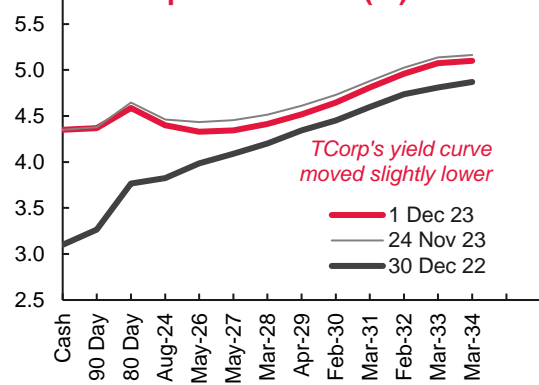
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 1 December 2023

| INTEREST RATES | CLOSE (%) | 1 WEEK (BPS) | | YTD (BPS) | |
|---|------------------|---------------------|---|------------------|---|
| RBA Cash Rate | 4.35 | 0 | — | 125 | ▲ |
| 90-day BBSW | 4.37 | -1 | ▼ | 110 | ▲ |
| 3-year Australian Bond Yield | 4.07 | -12 | ▼ | 57 | ▲ |
| 10-year Australian Bond Yield | 4.49 | -5 | ▼ | 44 | ▲ |
| 20-year Australian Bond Yield | 4.77 | -4 | ▼ | 40 | ▲ |
| 10-year Australian Break-Even Inflation | 2.51 | -5 | ▼ | 5 | ▲ |
| 10-year Australian Real Yield | 1.99 | -1 | ▼ | 40 | ▲ |
| Fed Funds Rate (lower bound) | 5.25 | 0 | — | 100 | ▲ |
| 2-year US Treasury Yield | 4.54 | -41 | ▼ | 11 | ▲ |
| 10-year US Treasury Yield | 4.20 | -27 | ▼ | 32 | ▲ |
| 30-year US Treasury Yield | 4.39 | -21 | ▼ | 43 | ▲ |
| 10-year German Bund Yield | 2.36 | -28 | ▼ | -21 | ▼ |
| NSW TCorp Bonds | Close (%) | 1 Week (bps) | | YTD (bps) | |
| 1.00% 8 February 2024 | 4.32 | -4 | ▼ | 58 | ▲ |
| 5.00% 20 August 2024 | 4.40 | -6 | ▼ | 57 | ▲ |
| 1.25% 20 March 2025 | 4.40 | -9 | ▼ | 55 | ▲ |
| 4.00% 20 May 2026 | 4.33 | -11 | ▼ | 35 | ▲ |
| 3.00% 20 May 2027 | 4.34 | -11 | ▼ | 25 | ▲ |
| 3.00% 20 March 2028 | 4.41 | -10 | ▼ | 21 | ▲ |
| 3.00% 20 April 2029 | 4.52 | -9 | ▼ | 17 | ▲ |
| 3.00% 20 February 2030 | 4.65 | -8 | ▼ | 19 | ▲ |
| 2.00% 20 March 2031 | 4.81 | -7 | ▼ | 21 | ▲ |
| 1.50% 20 February 2032 | 4.96 | -6 | ▼ | 22 | ▲ |
| 2.00% 8 March 2033 | 5.07 | -6 | ▼ | 26 | ▲ |
| 3.50% 20 March 2034 | 5.10 | -6 | ▼ | 23 | ▲ |
| 2.75% 20 November 2025 CIB | 1.54 | 2 | ▲ | 73 | ▲ |
| 2.50% 20 November 2035 CIB | 2.72 | 3 | ▲ | 28 | ▲ |
| 10-year NSW TCorp Bond Yield | 5.08 | -7 | ▼ | 33 | ▲ |
| 10-year TCV (Victoria) Spread | 0.07 | 0 | ▲ | 3 | ▲ |
| 10-year QTC (Queensland) Spread | -0.08 | 1 | ▲ | -2 | ▼ |
| Equities | Close | 1 Week | | YTD | |
| S&P/ASX200 (Australia) | 7,073 | 0.5% | ▲ | 0.5% | ▲ |
| S&P500 (US) | 4,595 | 0.8% | ▲ | 19.7% | ▲ |
| FTSE 100 (UK) | 7,529 | 0.5% | ▲ | 1.0% | ▲ |
| DJ Stoxx600 (Europe) | 466 | 1.4% | ▲ | 9.7% | ▲ |
| Nikkei 225 (Japan) | 33,432 | -0.6% | ▼ | 28.1% | ▲ |
| Shanghai Composite (China) | 3,032 | -0.3% | ▼ | -1.9% | ▼ |
| Currencies | Close | 1 Week | | YTD | |
| AUD/USD | 0.668 | 1.4% | ▲ | -2.0% | ▼ |
| EUR/USD | 1.088 | -0.5% | ▼ | 1.7% | ▲ |
| USD/JPY | 146.82 | -1.8% | ▼ | 12.0% | ▲ |
| GBP/USD | 1.27 | 0.8% | ▲ | 5.2% | ▲ |
| US\$ Index | 103.27 | -0.1% | ▼ | -0.2% | ▼ |
| Commodities | Close | 1 Week | | YTD | |
| Brent Oil (US\$/bbl) | 78.88 | -2.1% | ▼ | -8.2% | ▼ |
| Iron Ore (US\$/t) | 132.60 | 1.0% | ▲ | 19.2% | ▲ |
| Coking Coal (US\$/t) | 262.98 | -3.2% | ▼ | -27.0% | ▼ |
| Gold (US\$/oz) | 2,072.22 | 3.6% | ▲ | 13.6% | ▲ |

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