

Financial markets charts

The week that was

- Recent data shows that global inflation continues to fall towards central banks' targets, even if the path may not be smooth. Inflation in Australia was lower than expected in January but had little impact on financial markets. In contrast, US inflation was in line with expectations, while inflation in Japan and Europe surprised to the upside.
- The US ISM Manufacturing index for February disappointed, with production, new orders and employment all contracting. The softer data weighed on bond yields, with US 10-year yields 7bps lower. The S&P500 gained 0.9%, with technology stocks outperforming.
- Locally, data releases highlighted divergences between sectors of the Australian economy. While residential construction work and retail spending remain weak, business investment has been more resilient and house prices rose further in February. Australian 10-year bond yields fell 5bps and the ASX200 rose 1.3%.
- The Reserve Bank of New Zealand (RBNZ) held interest rates steady. Markets interpreted information accompanying the decision as a signal by the RBNZ that it is less likely to hike rates further.

Economic calendar

Monday 04/03	AU: Business indicators, Dec qtr; Building approvals, Jan
Tuesday 05/03	AU: Balance of payments, Dec qtr US: ISM services index, Feb; Powell House testimony CH: National People's Congress JP: Tokyo CPI, Feb
Wednesday 06/03	AU: National Accounts, Dec qtr CA: Bank of Canada policy decision US: ADP employment, Feb; JOLTS job openings, Jan
Thursday 07/03	EC: ECB policy decision AU: Housing lending indicators, Jan
Friday 08/03	US: Non-farm payrolls, Feb CA: Labour market data, Feb

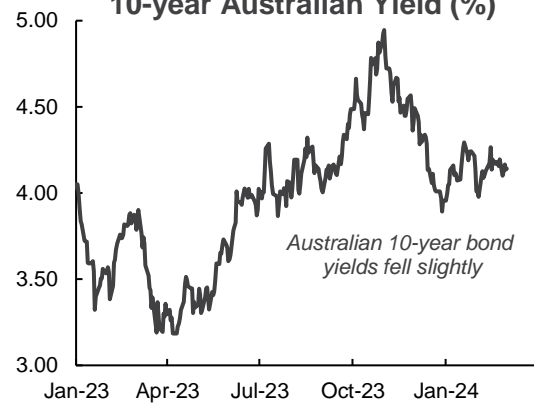
The week ahead

- The focus locally will be on the National Accounts for the December quarter 2023, with a slight growth expected for the Australian economy driven by public demand playing a larger role.
- US employment and the ISM Services index will be the most important data releases for financial markets. US Federal Reserve Chair Powell will give his semi-annual monetary policy testimony to Congress on Tuesday.
- The European Central Bank and Bank of Canada will have policy meetings. Both are expected to hold rates steady, and investors will focus on commentary accompanying the decisions.

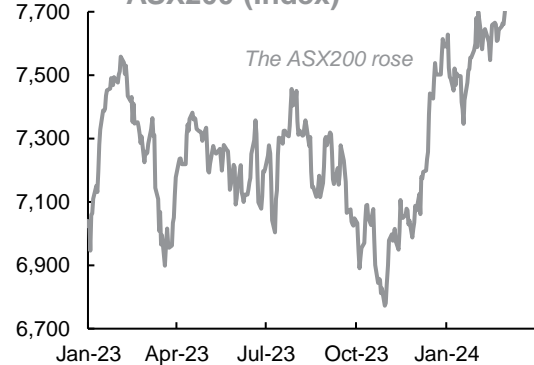
AUD/USD



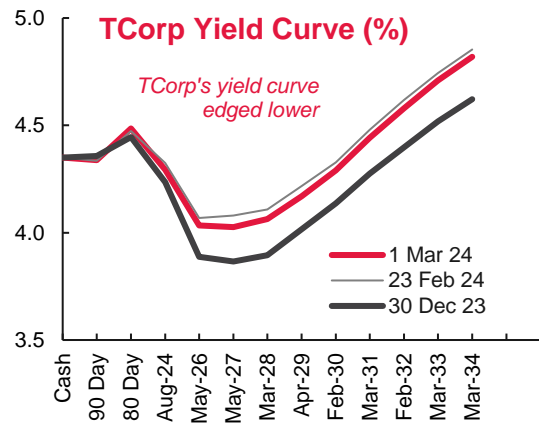
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 1 March 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.34	0	▲	-2	▼
3-year Australian Bond Yield	3.71	-7	▼	11	▲
10-year Australian Bond Yield	4.14	-5	▼	19	▲
20-year Australian Bond Yield	4.43	-5	▼	19	▲
10-year Australian Break-Even Inflation	2.48	-2	▼	-9	▼
10-year Australian Real Yield	1.66	-3	▼	28	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.53	-16	▼	28	▲
10-year US Treasury Yield	4.18	-7	▼	30	▲
30-year US Treasury Yield	4.33	-4	▼	30	▲
10-year German Bund Yield	2.41	5	▲	39	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.29	-3	▼	6	▲
1.25% 20 March 2025	4.20	0	▼	17	▲
4.00% 20 May 2026	4.03	-4	▼	15	▲
3.00% 20 May 2027	4.03	-5	▼	16	▲
3.00% 20 March 2028	4.06	-4	▼	17	▲
3.00% 20 April 2029	4.17	-5	▼	15	▲
3.00% 20 February 2030	4.29	-4	▼	15	▲
2.00% 20 March 2031	4.44	-4	▼	17	▲
1.50% 20 February 2032	4.58	-4	▼	18	▲
2.00% 8 March 2033	4.71	-3	▼	19	▲
1.75% 20 March 2034	4.82	-3	▼	20	▲
2.75% 20 November 2025 CIB	1.35	-8	▼	29	▲
2.50% 20 November 2035 CIB	2.32	-4	▼	26	▲
10-year NSW TCorp Bond Yield	4.76	-3	▼	21	▲
10-year TCV (Victoria) Spread	0.10	1	▲	-1	▼
10-year QTC (Queensland) Spread	-0.05	0	—	3	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,746	1.3%	▲	2.0%	▲
S&P500 (US)	5,137	0.9%	▲	7.7%	▲
FTSE 100 (UK)	7,683	-0.3%	▼	-0.7%	▼
DJ Stoxx600 (Europe)	498	0.1%	▲	3.9%	▲
Nikkei 225 (Japan)	39,911	2.1%	▲	19.3%	▲
Shanghai Composite (China)	3,027	0.7%	▲	1.8%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.653	-0.5%	▼	-4.2%	▼
EUR/USD	1.084	0.1%	▲	-1.8%	▼
USD/JPY	150.12	-0.3%	▼	6.4%	▲
GBP/USD	1.27	-0.1%	▼	-0.6%	▼
US\$ Index	103.86	-0.1%	▼	2.5%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	83.55	2.4%	▲	8.5%	▲
Iron Ore (US\$/t)	114.66	-8.7%	▼	-15.9%	▼
Coking Coal (US\$/t)	229.27	-2.4%	▼	-16.8%	▼
Gold (US\$/oz)	2,082.92	2.3%	▲	1.0%	▲

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