

Financial markets charts

The week that was

- US 10-year bond yields fell 16bps last week after weaker-than-expected employment data and comments from the Chair of the US Federal Reserve (Fed) that were less hawkish than feared. In particular, Chair Powell noted that further rate rises were unlikely and while this helped allay investor concerns around further rate hikes, he also said that he is less confident that inflation will fall quickly enough for the Fed to start lowering rates this year.
- Lower bond yields supported US equity prices, with the S&P500 rising by 0.5%. The US dollar also depreciated against a broad range of currencies, including the Australian dollar which rose by 1.2% and the Japanese yen, up 3.3%, with suspected intervention from Japan's Ministry of Finance.
- Locally, disappointing retail trade data showed ongoing weakness in household spending, with discretionary spending particularly soft. Building approvals also remain weak, especially on a per capita basis. Australian 10-year bond yields fell 10bps last week and the ASX200 rose 0.7%.
- Oil prices fell 7.3% last week, as geopolitical tensions tentatively eased and a rise in US inventories suggested weaker oil demand.

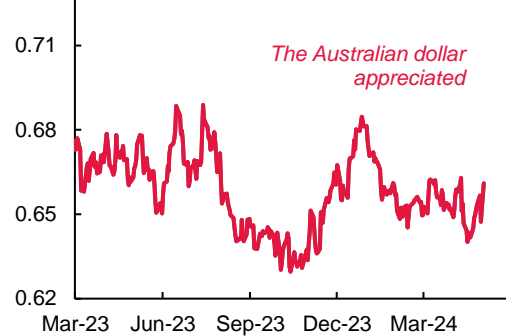
Economic calendar

Monday 06/05	Global: PMIs, Apr (final) CH: Caixin Services PMI, Apr
Tuesday 07/05	AU: RBA Board meeting; Retail trade volumes, Mar qtr US: Senior Loan Officer Opinion Survey on Bank Lending Practices
Wednesday 08/05	
Thursday 09/05	UK: Bank of England policy decision
Friday 10/05	UK: GDP, Mar qtr (prelim) CA: Labour market data, Apr

The week ahead

- Investors will focus on the Reserve Bank of Australia (RBA) on Tuesday, including updated economic commentary and forecasts in the quarterly Statement on Monetary Policy. After inflation surprised to the upside in the March quarter, focus will be on how concerned the RBA Board has become about inflation taking longer to return to target.
- The Bank of England (BoE) also meets this week. Commentary from the BoE has mostly been dovish and financial markets will try to gain insights into when the BoE is considering rate cuts. Investors currently expect the first rate cut in August.

AUD/USD



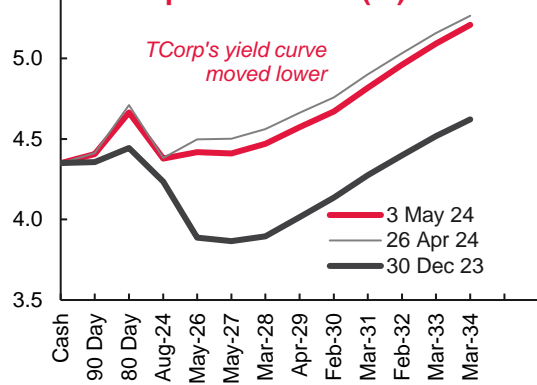
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 3 May 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	—	0	—
90-day BBSW	4.41	-1	▼	5	▲
3-year Australian Bond Yield	4.04	-10	▼	43	▲
10-year Australian Bond Yield	4.42	-10	▼	46	▲
20-year Australian Bond Yield	4.70	-8	▼	45	▲
10-year Australian Break-Even Inflation	2.53	-7	▼	-5	▼
10-year Australian Real Yield	1.89	-4	▼	51	▲
Fed Funds Rate (lower bound)	5.25	0	—	0	—
2-year US Treasury Yield	4.82	-18	▼	57	▲
10-year US Treasury Yield	4.51	-16	▼	63	▲
30-year US Treasury Yield	4.66	-11	▼	64	▲
10-year German Bund Yield	2.50	-8	▼	47	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
5.00% 20 August 2024	4.38	0	▼	14	▲
1.25% 20 March 2025	4.48	-5	▼	44	▲
4.00% 20 May 2026	4.42	-8	▼	53	▲
3.00% 20 May 2027	4.41	-9	▼	54	▲
3.00% 20 March 2028	4.47	-9	▼	57	▲
3.00% 20 April 2029	4.57	-9	▼	56	▲
3.00% 20 February 2030	4.67	-9	▼	54	▲
2.00% 20 March 2031	4.82	-8	▼	54	▲
1.50% 20 February 2032	4.96	-7	▼	56	▲
2.00% 8 March 2033	5.09	-7	▼	57	▲
1.75% 20 March 2034	5.21	-6	▼	59	▲
2.75% 20 November 2025 CIB	1.61	-2	▼	54	▲
2.50% 20 November 2035 CIB	2.51	-4	▼	44	▲
10-year NSW TCorp Bond Yield	5.16	-6	▼	61	▲
10-year TCV (Victoria) Spread	0.04	-3	▼	-7	▼
10-year QTC (Queensland) Spread	-0.03	-1	▼	5	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,629	0.7%	▲	0.5%	▲
S&P500 (US)	5,128	0.5%	▲	7.5%	▲
FTSE 100 (UK)	8,213	0.9%	▲	6.2%	▲
DJ Stoxx600 (Europe)	506	-0.5%	▼	5.5%	▲
Nikkei 225 (Japan)	38,236	0.8%	▲	14.3%	▲
Shanghai Composite (China)	3,105	0.5%	▲	4.4%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.661	1.2%	▲	-3.0%	▼
EUR/USD	1.076	0.6%	▲	-2.5%	▼
USD/JPY	153.05	-3.3%	▼	8.5%	▲
GBP/USD	1.25	0.4%	▲	-1.4%	▼
US\$ Index	105.03	-0.9%	▼	3.6%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	82.96	-7.3%	▼	7.7%	▲
Iron Ore (US\$/t)	117.69	5.9%	▲	-13.7%	▼
Coking Coal (US\$/t)	216.33	-3.9%	▼	-21.5%	▼
Gold (US\$/oz)	2,301.74	-1.5%	▼	11.6%	▲

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