

## The week that was

- Russia's escalating assault on Ukraine was front and centre for markets. This saw slumping equity markets and bond yields, at the same time as energy and commodity prices lurched higher. Investors also sought to assess the impact of newly announced sanctions and new fiscal packages.
- Though clearly clouded by the Ukraine crisis, Australian economic releases were positive. Retail sales jumped 6.4% year-on-year in January, which was in spite of the peak of the Omicron COVID wave. Housing credit growth was robust, at 7.6% year-on-year for January, though momentum is slowing. GDP growth also printed a strong 3.4% quarter-on-quarter for the December quarter, while unit labour costs were notably soft.
- Global bond yields declined, as risk appetite slumped. The US 10-year yield was down 23bps, to 1.73%, and the German 10-year yield shed 30bps, to -0.07%. Australian 10-year yields dropped 8bps, to 2.15%. TCorp's 10-year yield was down 8bps to 2.52%.
- Europe's Stoxx600 led equity market losses, down -7.0%, while the S&P500 lost -1.3%. Surprisingly, the ASX200 posted a 1.6% gain, bolstered by high energy and commodity prices.
- The Australian dollar was boosted by strong gains in commodity prices and closed up 2.0% to US\$0.737.

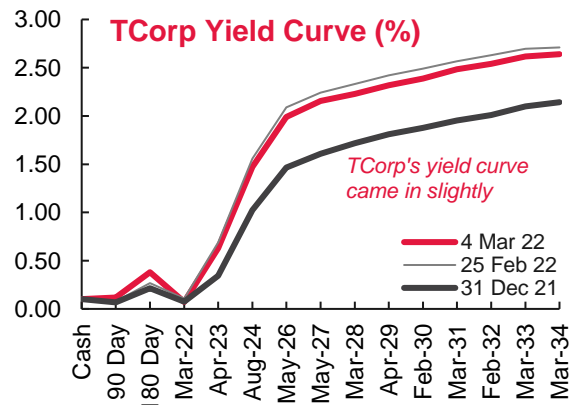
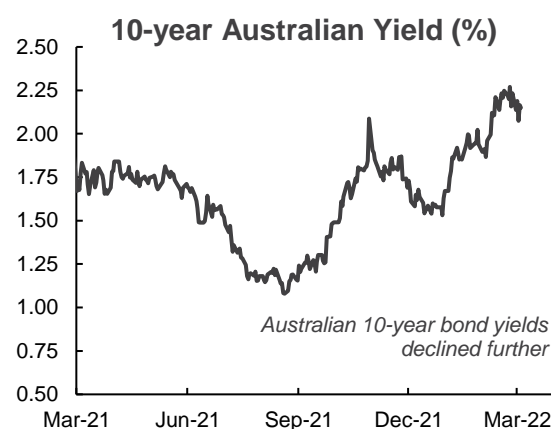
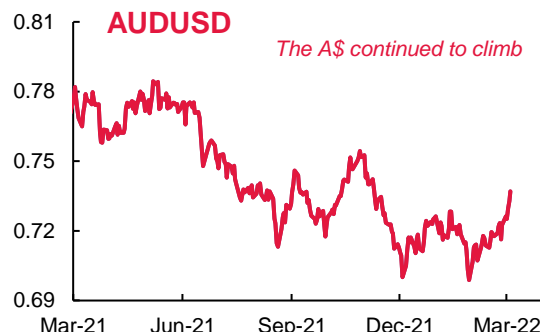
## Economic calendar

|                        |   |
|------------------------|---|
| <b>Monday 07/03</b>    | AU: ANZ Job Ads, Feb<br>CH: Trade balance, Feb  |
| <b>Tuesday 08/03</b>   | AU: NAB Business survey, Feb, CBA Household spending, Feb<br>EU: GDP, Dec qtr (final)<br>US: Consumer credit, Jan   |
| <b>Wednesday 09/03</b> | AU: RBA Governor Lowe speech, RBA Assistant Governor Debelle in panel, Westpac consumer survey, Mar<br>CH: CPI, Feb<br>US: Trade balance, Jan, Wholesale trade, Jan |
| <b>Thursday 10/03</b>  | EU: ECB rate decision, Mar<br>US: JOLTS jobs report, Feb  |
| <b>Friday 11/03</b>    | AU: RBA Governor Lowe in panel, EU: ECB President Lagarde speech<br>US: CPI, Feb, Real earnings, Feb, University of Michigan Consumer survey, Mar (prelim)          |

## The week ahead

- Business and consumer surveys for Australia will provide current colour on the pace of activity and wage gains, as the economy completely reopens. Commentary from key RBA policymakers will also be important for the outlook for tightening.

## Financial markets charts



## Financial markets data: Week ending 04 March 2022

| Interest Rates                          | Close (%) | 1 Week (bps) |   | YTD (bps) |   |
|---|-----------|--------------|---|-----------|---|
| RBA Cash Rate                           | 0.10      | 0            | — | 0         | — |
| 90-day BBSW                             | 0.12      | 4            | ▲ | 5         | ▲ |
| 3-year Australian Bond Yield            | 1.56      | -10          | ▼ | 65        | ▲ |
| 10-year Australian Bond Yield           | 2.15      | -8           | ▼ | 48        | ▲ |
| 20-year Australian Bond Yield           | 2.62      | -2           | ▼ | 35        | ▲ |
| 10-year Australian Break-Even Inflation | 2.42      | 13           | ▲ | 15        | ▲ |
| 10-year Australian Real Yield           | -0.27     | -21          | ▼ | 33        | ▲ |
| Fed Funds Rate (lower bound)            | 0.00      | 0            | — | 0         | — |
| 2-year US Treasury Yield                | 1.48      | -9           | ▼ | 74        | ▲ |
| 10-year US Treasury Yield               | 1.73      | -23          | ▼ | 22        | ▲ |
| 30-year US Treasury Yield               | 2.16      | -12          | ▼ | 25        | ▲ |
| 10-year German Bund Yield               | -0.07     | -30          | ▼ | 11        | ▲ |
| NSW TCorp Bonds                         | Close (%) | 1 Week (bps) |   | YTD (bps) |   |
| 6.00% 1 March 2022                      | 0.07      | -4           | ▼ | 0         | ▼ |
| 4.00% 20 April 2023                     | 0.63      | -6           | ▼ | 29        | ▲ |
| 1.00% 8 February 2024                   | 1.23      | -10          | ▼ | 41        | ▲ |
| 5.00% 20 August 2024                    | 1.47      | -9           | ▼ | 45        | ▲ |
| 4.00% 20 May 2026                       | 1.99      | -10          | ▼ | 52        | ▲ |
| 3.00% 20 May 2027                       | 2.16      | -9           | ▼ | 55        | ▲ |
| 3.00% 20 March 2028                     | 2.23      | -10          | ▼ | 51        | ▲ |
| 3.00% 20 April 2029                     | 2.32      | -10          | ▼ | 51        | ▲ |
| 3.00% 20 February 2030                  | 2.39      | -10          | ▼ | 51        | ▲ |
| 2.00% 20 March 2031                     | 2.48      | -9           | ▼ | 53        | ▲ |
| 1.50% 20 February 2032                  | 2.54      | -9           | ▼ | 53        | ▲ |
| 2.00% 8 March 2033                      | 2.62      | -8           | ▼ | 52        | ▲ |
| 3.50% 20 March 2034                     | 2.64      | -7           | ▼ | 50        | ▲ |
| 2.75% 20 November 2025 CIB              | -1.19     | -21          | ▼ | -16       | ▼ |
| 2.50% 20 November 2035 CIB              | 0.36      | -18          | ▼ | 32        | ▲ |
| 10-year NSW TCorp Bond Yield            | 2.52      | -8           | ▼ | 55        | ▲ |
| 10-year TCV (Victoria) Spread           | 0.02      | -1           | ▼ | -1        | ▼ |
| 10-year QTC (Queensland) Spread         | -0.01     | -2           | ▼ | -3        | ▼ |
| Equities                                | Close     | 1 Week       |   | YTD       |   |
| S&P/ASX200 (Australia)                  | 7,111     | 1.6%         | ▲ | -4.5%     | ▼ |
| S&P500 (US)                             | 4,329     | -1.3%        | ▼ | -9.2%     | ▼ |
| FTSE 100 (UK)                           | 6,987     | -6.7%        | ▼ | -5.4%     | ▼ |
| DJ Stoxx600 (Europe)                    | 422       | -7.0%        | ▼ | -13.5%    | ▼ |
| Nikkei 225 (Japan)                      | 25,985    | -1.9%        | ▼ | -9.7%     | ▼ |
| Shanghai Composite (China)              | 3,448     | -0.1%        | ▼ | -5.3%     | ▼ |
| Currencies                              | Close     | 1 Week       |   | YTD       |   |
| AUD/USD                                 | 0.737     | 2.0%         | ▲ | 1.5%      | ▲ |
| EUR/USD                                 | 1.093     | -3.0%        | ▼ | -3.9%     | ▼ |
| USD/JPY                                 | 114.82    | -0.6%        | ▼ | -0.2%     | ▼ |
| GBP/USD                                 | 1.32      | -1.3%        | ▼ | -2.2%     | ▼ |
| US\$ Index                              | 98.65     | 2.1%         | ▲ | 3.1%      | ▲ |
| Commodities                             | Close     | 1 Week       |   | YTD       |   |
| Brent Oil (US\$/bbl)                    | 118.11    | 20.6%        | ▲ | 51.9%     | ▲ |
| Iron Ore (US\$/t)                       | 156.83    | 15.1%        | ▲ | 29.5%     | ▲ |
| Coking Coal (US\$/t)                    | 2,805.00  | 14.1%        | ▲ | 36.6%     | ▲ |
| Gold (US\$/oz)                          | 1,970.70  | 4.3%         | ▲ | 7.7%      | ▲ |

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