

## The week that was

- As we approach the end of 2019, the flow of economic data begins to dry up. Last week, however, there was a flurry of data, including Australia's Q3 National Accounts which revealed that the economy expanded by a disappointing 0.4%.
- While the overall pace of growth was disappointingly sluggish, even more concerning was the composition of growth, with very weak consumer spending and insipid business investment. Retail sales also stagnated in October, which suggests that Q4 is starting on a weak footing. The weak data does, however, suggest that the Reserve Bank will be compelled to cut interest rates again at its next policy meeting in February.
- In contrast to the downbeat Australian data, the US economy appears to be ending 2019 in good health. US employment surged by 266,000 in November easily beating market estimates of a 180,000 rise. Lower unemployment, rising wages and strong consumer sentiment completed the upbeat portrait of the US economy.

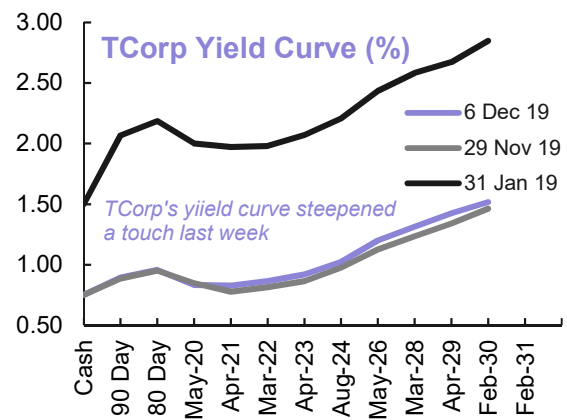
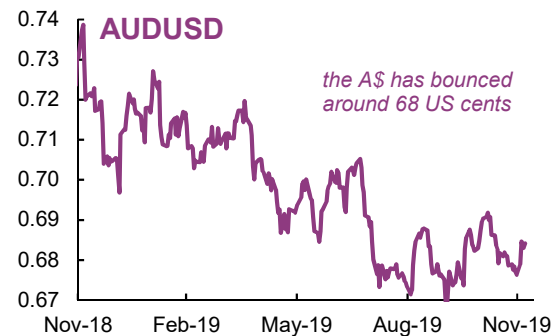
## Economic calendar

<b>Monday</b> 9/12	JP: GDP
<b>Tuesday</b> 10/12	AU: NAB business survey
<b>Wednesday</b> 11/12	US: FOMC Meeting, CPI AU: Consumer sentiment
<b>Thursday</b> 12/12	EU: ECB policy meeting UK: General Election
<b>Friday</b> 13/12	US: Retail sales

## The week ahead

- Central banks in Europe and the US will review their policy settings this week but are not expected to change policy. Retail sales will also be released on Friday and will provide another health check on the state of the US consumer.
- In Australia, surveys of consumer and business sentiment will be released this week. The final important data of the year – the November employment report -- will be released on Thursday 19 December.
- This is TCorp's final Weekly Economic Report for 2019. We would like to take this opportunity to thank all our clients for their support this year and wish you all a happy and safe festive season and a prosperous 2020.

## Financial markets charts



## Financial markets data: Week ending 6 December 2019

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.75	0	—	-75	▼
90-day BBSW	0.89	1	▲	-120	▼
3-year Australian Bond Yield	0.70	5	▲	-115	▼
10-year Australian Bond Yield	1.13	9	▲	-119	▼
20-year Australian Bond Yield	1.63	11	▲	-105	▼
10-year Australian Break-Even Inflation	1.38	4	▲	-26	▼
10-year Australian Real Yield	-0.25	6	▲	-93	▼
Fed Funds Rate (lower bound)	1.50	0	—	-75	—
2-year US Treasury Yield	1.61	0	▲	-87	▼
10-year US Treasury Yield	1.84	6	▲	-85	▼
30-year US Treasury Yield	2.28	7	▲	-74	▼
10-year German Bund Yield	-0.29	7	▲	-53	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 May 2020	0.83	-2	▼	-119	▼
4.00% 8 April 2021	0.83	5	▲	-119	▼
6.00% 1 March 2022	0.86	5	▲	-118	▼
4.00% 20 April 2023	0.92	5	▲	-126	▼
5.00% 20 August 2024	1.02	5	▲	-130	▼
4.00% 20 May 2026	1.20	7	▲	-133	▼
3.00% 20 May 2027	1.31	8	▲	-135	▼
3.00% 20 March 2028	1.43	9	▲	-131	▼
3.00% 20 April 2029	1.52	9	▲	-133	▼
3.00% 20 February 2030	1.56	10	▲	-134	▼
3.75% 20 August 2020 CIB	-0.81	4	▲	-147	▼
2.75% 20 November 2025 CIB	-0.10	6	▲	-102	▼
2.50% 20 November 2035 CIB	0.56	9	▲	-68	▼
10-year NSW TCorp Bond Yield	1.57	10	▲	-125	▼
10-year TCV (Victoria) Spread	0.00	0	▲	5	▲
10-year QTC (Queensland) Spread	0.05	0	▲	-1	▼
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	6,707	-2.0%	▼	18.8%	▲
S&P 500 (US)	3,146	0.2%	▲	25.5%	▲
FTSE 100 (UK)	7,240	-1.5%	▼	7.6%	▲
DJ Stoxx 600 (Europe)	407	0.0%	▼	20.6%	▲
Nikkei 225 (Japan)	23,354	0.3%	▲	16.7%	▲
Shanghai Composite (China)	2,912	1.4%	▲	16.8%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.684	1.2%	▲	-3.0%	▼
EUR/USD	1.106	0.4%	▲	-3.4%	▼
USD/JPY	108.58	-0.8%	▼	-1.3%	▲
GBP/USD	1.31	1.7%	▲	3.1%	▲
US\$ Index	97.70	-0.6%	▼	1.6%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	64.39	3.1%	▲	19.7%	▲
Iron Ore (US\$/t)	88.55	4.6%	▲	24.5%	▲
Coking Coal (US\$/t)	1,325.00	0.5%	▲	-8.3%	▼
Gold (US\$/oz)	1,460.17	-0.3%	▼	13.9%	▲

**Brian Redican**  
Chief Economist  
[brian.redican@tcorp.nsw.gov.au](mailto:brian.redican@tcorp.nsw.gov.au)

**Dana Rice**  
Economist  
[dana.rice@tcorp.nsw.gov.au](mailto:dana.rice@tcorp.nsw.gov.au)