

Financial markets charts

The week that was

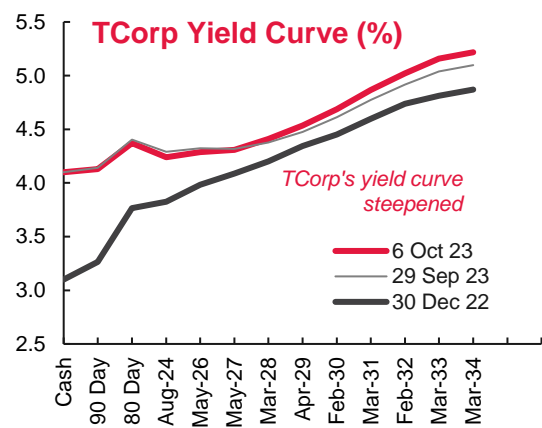
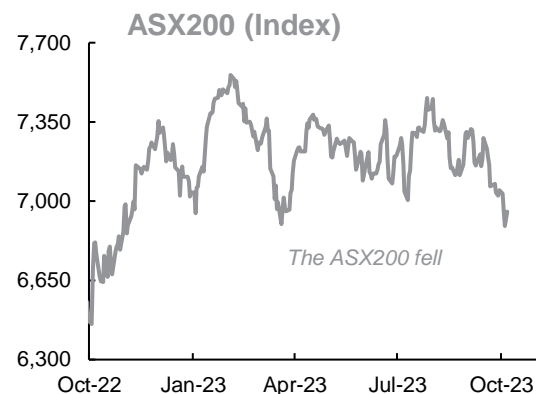
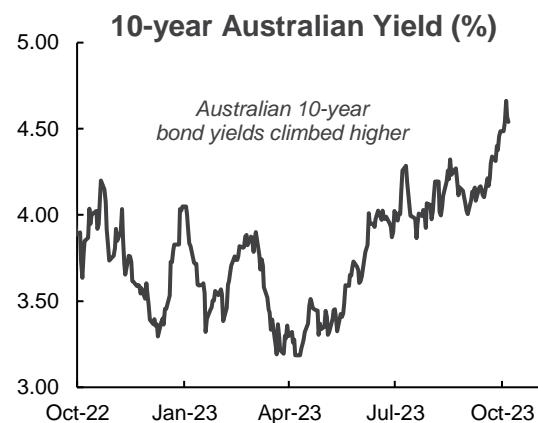
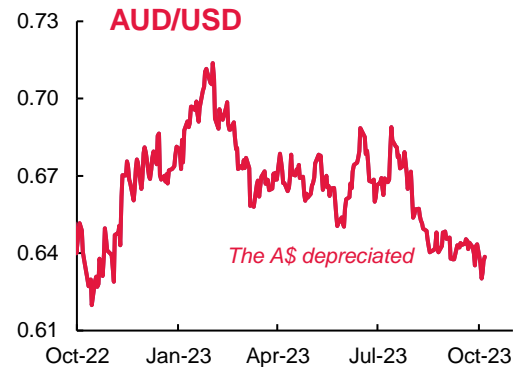
- The Reserve Bank of Australia (RBA) left interest rates unchanged at 4.1% last week and messaging in its statement accompanying the decision was consistent with prior months. The Reserve Bank of New Zealand also kept its policy rate unchanged.
- Housing prices in Australia rose further in September but at a slower pace than a few months ago, consistent with the rise in new listings. The rental market remains very tight with vacancy rates at or near historically low levels in most capital cities. Building approvals, however, remain weak.
- Stronger-than-expected US economic data drove bond yields higher, with 10-year yields rising by 23bps to 4.8%. Non-farm payrolls and job openings increased strongly in September and August, respectively, signalling continued strong demand for labour. An improvement in the ISM manufacturing index also pushed up US bond yields. The S&P500 outperformed equity markets in other developed economies, ending the week 0.5% higher.
- Australian financial markets were primarily driven by offshore developments last week, with the ASX200 falling 1.3% and 10-year bond yields rising by 5bps.
- Oil prices fell by 11% amid signs of slowing demand for oil, with prices retracing the rise observed in September.

Economic calendar

Monday 09/10	GE: Industrial production, Aug
Tuesday 10/10	AU: Consumer sentiment, Oct; NAB Business survey, Sep
Wednesday 11/10	US: Producer price inflation, Sep GE: Consumer price inflation, Sep (final)
Thursday 12/10	US: Consumer price inflation, Sep; FOMC meeting minutes, Sep
Friday 13/10	FR: Consumer price inflation, Sep (final) CH: Consumer & producer price inflation, Sep

The week ahead

- The focus locally will be on surveys of consumer and business sentiment. While consumer sentiment has been very weak over the past year, surveyed business conditions have been more resilient.
- Globally, investors will focus on consumer price inflation data in the US and minutes from the Federal Open Market Committee's (FOMC) September meeting. Inflation data in China, Germany and France will also receive attention.
- US Q3 earnings reporting season commences.



Financial markets data: Week ending 6 October 2023

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.10	0	—	100	▲
90-day BBSW	4.13	-1	▼	86	▲
3-year Australian Bond Yield	4.00	-8	▼	49	▲
10-year Australian Bond Yield	4.54	5	▲	49	▲
20-year Australian Bond Yield	4.85	7	▲	47	▲
10-year Australian Break-Even Inflation	2.50	-4	▼	4	▲
10-year Australian Real Yield	2.04	10	▲	45	▲
Fed Funds Rate (lower bound)	5.25	0	—	100	▲
2-year US Treasury Yield	5.08	4	▲	66	▲
10-year US Treasury Yield	4.80	23	▲	93	▲
30-year US Treasury Yield	4.97	27	▲	100	▲
10-year German Bund Yield	2.88	4	▲	31	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
1.00% 8 February 2024	4.24	-1	▼	50	▲
5.00% 20 August 2024	4.24	-5	▼	41	▲
1.25% 20 March 2025	4.33	-7	▼	48	▲
4.00% 20 May 2026	4.29	-4	▼	30	▲
3.00% 20 May 2027	4.31	-1	▼	22	▲
3.00% 20 March 2028	4.41	3	▲	21	▲
3.00% 20 April 2029	4.54	6	▲	19	▲
3.00% 20 February 2030	4.69	8	▲	24	▲
2.00% 20 March 2031	4.87	9	▲	27	▲
1.50% 20 February 2032	5.02	10	▲	28	▲
2.00% 8 March 2033	5.16	12	▲	35	▲
3.50% 20 March 2034	5.22	12	▲	35	▲
2.75% 20 November 2025 CIB	1.52	-2	▼	71	▲
2.50% 20 November 2035 CIB	2.73	11	▲	29	▲
10-year NSW TCorp Bond Yield	5.15	12	▲	40	▲
10-year TCV (Victoria) Spread	0.05	1	▲	1	▲
10-year QTC (Queensland) Spread	-0.08	0	▼	-2	▼
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	6,954	-1.3%	▼	-1.2%	▼
S&P500 (US)	4,309	0.5%	▲	12.2%	▲
FTSE 100 (UK)	7,495	-1.5%	▼	0.6%	▲
DJ Stoxx600 (Europe)	445	-1.2%	▼	4.7%	▲
Nikkei 225 (Japan)	30,995	-2.7%	▼	18.8%	▲
Shanghai Composite (China)	3,110	0.0%	—	0.7%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.639	-0.8%	▼	-6.3%	▼
EUR/USD	1.059	0.1%	▲	-1.1%	▼
USD/JPY	149.32	0.0%	▼	13.9%	▲
GBP/USD	1.22	0.3%	▲	1.3%	▲
US\$ Index	106.04	-0.1%	▼	2.4%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	84.58	-11.3%	▼	-1.5%	▼
Iron Ore (US\$/t)	117.56	-2.7%	▼	5.6%	▲
Coking Coal (US\$/t)	239.11	0.0%	—	-33.6%	▼
Gold (US\$/oz)	1,833.01	-0.8%	▼	0.5%	▲

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