

The week that was

- Markets were extraordinarily volatile last week, with wild swings in equity, bond, foreign exchange and commodity markets.
- Australia's equity market fell by 10.9% last week while the US market declined by 8.8% despite recording a 9.3% bounce on Friday as President Trump declared a national emergency. Stocks in Europe fell by 18.4% over the week, due in part to a clumsy comment from new ECB President Lagarde which suggested the ECB was unconcerned about financial stresses being experienced by some member countries.
- Bond markets also were incredibly volatile with Australia's 10 year yield rising by 30bps while US 10-year yields rose by 24bps.
- The A\$ fell by more than 6% over the week to its lowest level since the Global Financial Crisis. Oil prices fell by 25% as Saudi Arabia announced that it would expand production in retaliation for Russia's refusal to curtail its production.
- The Australian government announced an \$18 billion fiscal stimulus package which is designed to support spending in the June quarter. This morning, the Fed cut its policy rate by 100bps and announced a resumption of quantitative easing.

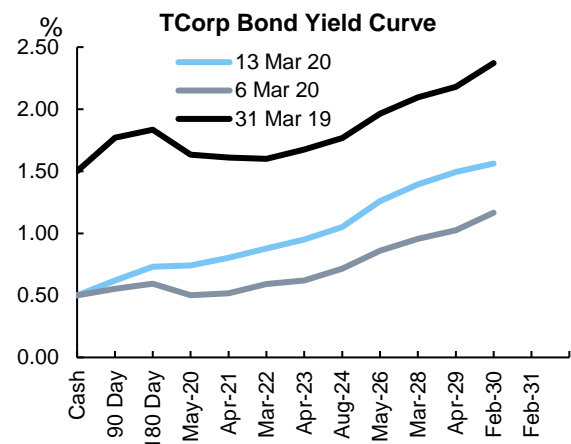
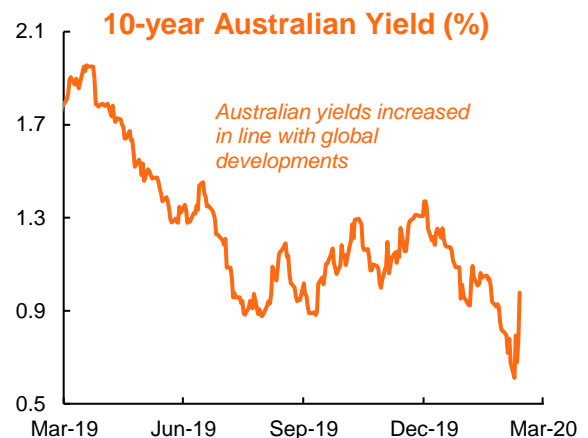
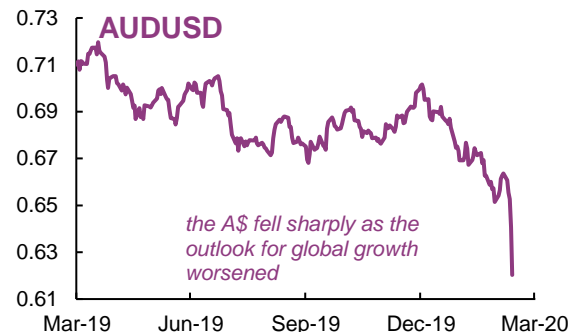
Economic calendar

Monday 16/03	CH: Retail sales, investment, industrial production, Feb
Tuesday 17/03	US: Retail sales, industrial production, Feb
Wednesday 18/03	US: Fed Monetary Policy Decision US: Housing starts, Feb
Thursday 19/03	AU: Unemployment rate, Feb US: Philly Fed survey, Mar
Friday 20/03	

The week ahead

- Data continues to take a back seat as investors consider it uninformative given the rapid escalation of COVID-19 and the impact it has had on financial markets and economic activity. The US Federal Reserve also has a scheduled policy this week, but this has now become redundant.
- China's February economic data should mark the low point for economic activity as authorities shut down large parts of the economy in an attempt to combat the spread of COVID-19. Australia's employment report will also reveal the health of the labour market before activity was undermined by COVID-19.

Financial markets charts



Financial markets data: Week ending 13 March 2020

Interest Rates	Close (%)	1 Week (bps)		YTD (bps)	
RBA Cash Rate	0.50	0	—	-25	▼
90-day BBSW	0.62	7	▲	-30	▼
3-year Australian Bond Yield	0.54	18	▲	-37	▼
10-year Australian Bond Yield	0.98	30	▲	-39	▼
20-year Australian Bond Yield	1.71	52	▲	-16	▼
10-year Australian Break-Even Inflation	0.72	-50	▼	-69	▼
10-year Australian Real Yield	0.26	80	▲	30	▲
Fed Funds Rate (lower bound)	1.00	0	—	-50	—
2-year US Treasury Yield	0.49	-2	▼	-108	▼
10-year US Treasury Yield	0.96	20	▲	-96	▼
30-year US Treasury Yield	1.53	24	▲	-86	▼
10-year German Bund Yield	-0.54	17	▲	-36	▼
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
6.00% 1 May 2020	0.74	24	▲	-19	▼
4.00% 8 April 2021	0.80	28	▲	-20	▼
6.00% 1 March 2022	0.88	29	▲	-19	▼
4.00% 20 April 2023	0.95	33	▲	-22	▼
1.00% 8 February 2024	1.05	35	▲	-23	▼
5.00% 20 August 2024	1.05	34	▲	-23	▼
4.00% 20 May 2026	1.26	40	▲	-19	▼
3.00% 20 May 2027	1.39	44	▲	-18	▼
3.00% 20 March 2028	1.49	47	▲	-18	▼
3.00% 20 April 2029	1.56	46	▲	-22	▼
3.00% 20 February 2030	1.64	47	▲	-20	▼
2.00% 20 March 2031	1.75	47	▲	-21	▼
2.00% 20 March 2032	1.99	57	▲	n/a	n/a
2.00% 20 March 2033	2.07	54	▲	-13	▼
3.75% 20 August 2020 CIB	-0.90	31	▲	-22	▼
2.75% 20 November 2025 CIB	0.54	79	▲	45	▲
2.50% 20 November 2035 CIB	1.12	83	▲	40	▲
10-year NSW TCorp Bond Yield	1.62	41	▲	-23	▼
10-year TCV (Victoria) Spread	0.06	9	▲	8	▲
10-year QTC (Queensland) Spread	0.07	6	▲	4	▲
Equities	Close	1 Week		YTD	
S&P/ASX 200 (Australia)	5,539	-10.9%	▼	-17.1%	▼
S&P 500 (US)	2,711	-8.8%	▼	-16.1%	▼
FTSE 100 (UK)	5,366	-17.0%	▼	-28.9%	▼
DJ Stoxx 600 (Europe)	299	-18.4%	▼	-28.1%	▼
Nikkei 225 (Japan)	17,431	-16.0%	▼	-26.3%	▼
Shanghai Composite (China)	2,887	-4.8%	▼	-5.3%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.620	-6.5%	▼	-11.7%	▼
EUR/USD	1.111	-1.6%	▼	-0.9%	▼
USD/JPY	107.62	2.1%	▲	-0.9%	▼
GBP/USD	1.23	-5.9%	▼	-7.4%	▼
US\$ Index	98.75	2.9%	▲	2.4%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	33.85	-25.2%	▼	-48.7%	▼
Iron Ore (US\$/t)	90.24	1.3%	▲	-1.4%	▼
Coking Coal (US\$/t)	1,292.00	0.0%	—	7.0%	▲
Gold (US\$/oz)	1,529.83	-8.6%	▼	0.8%	▲

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