

Financial markets charts

The week that was

- US 10-year bond yields fell 23bps last week, partly in reaction to Scott Bessent's appointment as Treasury Secretary. This reflects investors' perception that Bessent could be a moderating influence on Donald Trump's trade and economic policies. Data showing that US inflationary pressures continued to ease in October also contributed to the fall in yields.
- The US S&P500 gained 1.1%, with all sectors higher except the energy sector. Energy stocks declined alongside the 3% fall in oil prices, which in turn followed the ceasefire agreement between Israel and Hezbollah. Energy stocks weighed on the ASX200, which rose by 0.5% last week.
- Australian 10-year bond yields fell 20bps last week, alongside the fall in US yields. The Reserve Bank of Australia (RBA) Governor Michelle Bullock reiterated that the RBA Board needs to be confident that underlying inflation is falling sustainably towards 2.5% before cutting interest rates. Inflation in October was lower than expected and suggests that the disinflationary process is continuing.
- The Australian dollar rose by 0.2% and has traded around US\$0.65 for the past fortnight.
- The Reserve Bank of New Zealand cut interest rates by a further 50bps, to 4.25%. Investors expect more rate cuts over the next few months.

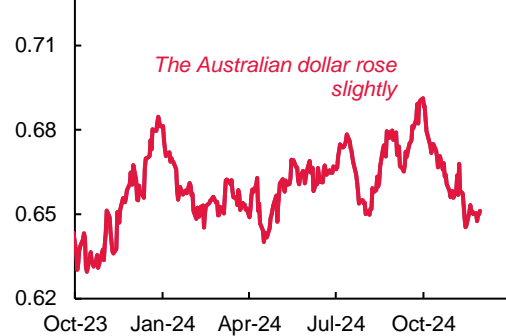
Economic calendar

Monday 02/12	US: ISM Manufacturing index, Nov AU: Retail sales, Oct; Building approvals, Oct
Tuesday 03/12	AU: Balance of Payments, Q1
Wednesday 04/12	AU: GDP, Q3 US: ISM Services index, Nov CH: Caixin PMIs, Nov
Thursday 05/12	
Friday 06/12	US: Non-farm payrolls, Nov

The week ahead

- Australian GDP data will be released, with forecasters expecting the economy to have grown by 0.5% in the September quarter. While growth in consumer spending is expected to have remained weak, housing construction looks to have picked up. Retail sales and building approvals data for October, also released this week, will provide more timely reads on economic activity.
- Offshore, US data will be in focus, particularly the non-farm payrolls data for November. Investors are unsure of whether the US Federal Reserve will cut rates again in December or pause its easing cycle. An unexpectedly weak or strong payrolls print could abruptly shift investors' expectations.

AUD/USD



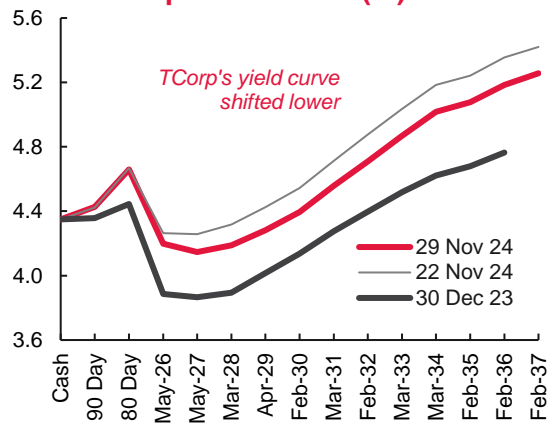
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 29 November 2024

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.35	0	–	0	–
90-day BBSW	4.43	0	▲	7	▲
3-year Australian Bond Yield	3.91	-16	▼	30	▲
10-year Australian Bond Yield	4.34	-20	▼	38	▲
20-year Australian Bond Yield	4.77	-16	▼	52	▲
10-year Australian Break-Even Inflation	2.40	-7	▼	-18	▼
10-year Australian Real Yield	1.94	-13	▼	56	▲
Fed Funds Rate (lower bound)	4.50	0	–	-75	▼
2-year US Treasury Yield	4.15	-22	▼	-10	▼
10-year US Treasury Yield	4.17	-23	▼	29	▲
30-year US Treasury Yield	4.36	-23	▼	33	▲
10-year German Bund Yield	2.09	-15	▼	6	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	4.20	-6	▼	31	▲
3.00% 20 May 2027	4.15	-11	▼	28	▲
3.00% 20 March 2028	4.19	-13	▼	29	▲
3.00% 20 April 2029	4.28	-14	▼	27	▲
3.00% 20 February 2030	4.40	-15	▼	26	▲
2.00% 20 March 2031	4.56	-15	▼	28	▲
1.50% 20 February 2032	4.71	-17	▼	31	▲
2.00% 8 March 2033	4.87	-17	▼	35	▲
1.75% 20 March 2034	5.02	-17	▼	40	▲
4.75% 20 February 2035	5.08	-17	▼	40	▲
4.25% 20 February 2036	5.18	-17	▼	42	▲
4.75% 20 February 2037	5.26	-16	▼	--	--
2.75% 20 November 2025 CIB	2.61	27	▲	155	▲
2.50% 20 November 2035 CIB	2.78	0	–	72	▲
10-year NSW TCorp Bond Yield	5.04	-25	▼	49	▲
10-year TCV (Victoria) Spread	0.09	1	▲	-2	▼
10-year QTC (Queensland) Spread	0.00	0	▼	9	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,436	0.5%	▲	11.1%	▲
S&P500 (US)	6,032	1.1%	▲	26.5%	▲
FTSE 100 (UK)	8,287	0.3%	▲	7.2%	▲
DJ Stoxx600 (Europe)	510	0.4%	▲	6.5%	▲
Nikkei 225 (Japan)	38,208	-0.2%	▼	14.2%	▲
Shanghai Composite (China)	3,326	1.8%	▲	11.8%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.651	0.2%	▲	-4.4%	▼
EUR/USD	1.058	1.5%	▲	-4.2%	▼
USD/JPY	149.77	-3.2%	▼	6.2%	▲
GBP/USD	1.27	1.6%	▲	0.0%	▲
US\$ Index	105.74	-1.7%	▼	4.3%	▲
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	72.94	-3.0%	▼	-5.3%	▼
Iron Ore (US\$/t)	102.44	0.7%	▲	-24.9%	▼
Coking Coal (US\$/t)	152.27	-6.9%	▼	-44.8%	▼
Gold (US\$/oz)	2,643.15	-2.7%	▼	28.1%	▲

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