

Financial markets charts

The week that was

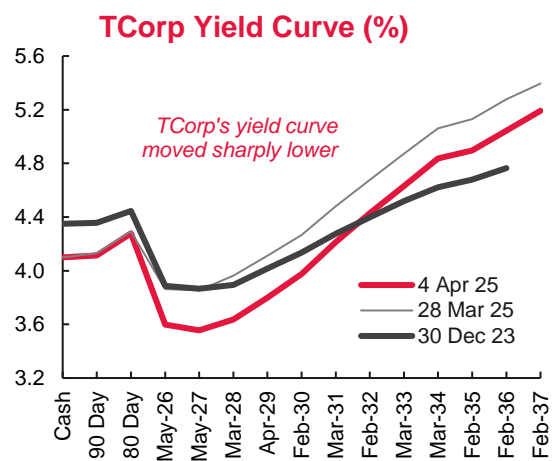
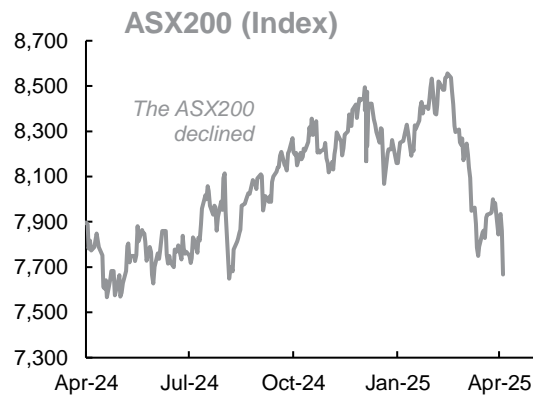
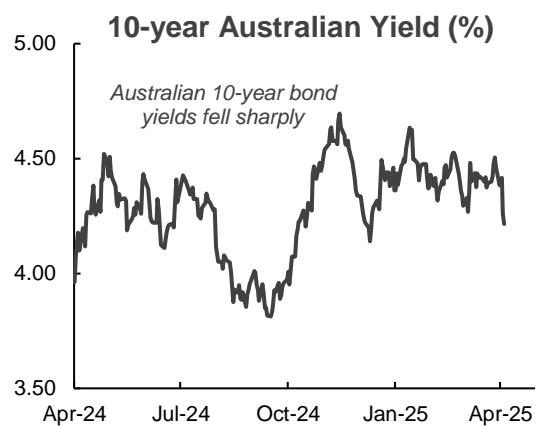
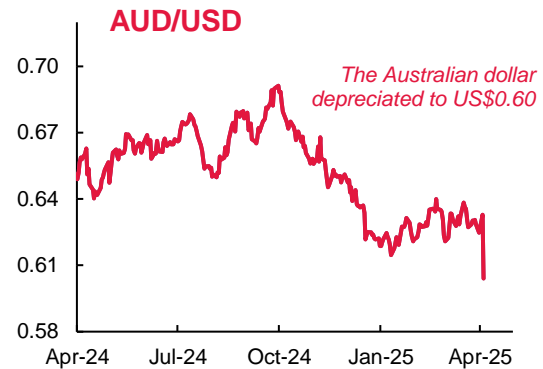
- Global equity markets fell sharply, by 7-10%, after the 'reciprocal tariffs' announced by President Trump were larger than expected and significantly heightened fears of a global recession. Global bond yields also fell sharply, with 10-year yields around 25bps lower in the US and Australia.
- Australian exports to the US were tariffed at the minimum rate of 10%. The overall (direct) impact of tariffs on Australia's exports is not large, and the relatively lower tariffs on Australian exports compared to most other countries could see Australian exports become more competitive when compared to countries with higher tariffs. The indirect impacts of the tariffs could be larger, however, if they slow growth in the economies of our large trading partners, especially China.
- The damaging uncertainty surrounding tariffs is likely to persist for a while yet. Investors will be watching how countries respond to US tariffs, either with their own tariffs against the US or by trying to negotiate with President Trump. China has already retaliated with higher tariffs on US imports, and Europe is expected to follow. Some countries (notably Canada and Mexico) and some sectors (e.g. pharmaceuticals and semiconductors) were not included in last week's tariff announcement, but tariffs on these are expected to be announced separately.
- Investors are now pricing in 4 rate cuts by the US Federal Reserve (Fed) in 2025, assuming the Fed will aggressively lower rates to combat an economic slowdown. But because tariffs also increase inflation, this may not occur – the Fed is concerned that tariffs could raise inflation expectations and cause high inflation to become entrenched.
- Concerns around slowing global growth saw oil prices fall 11% and the Australian dollar fall to its lowest level against the US dollar since COVID.
- The Reserve Bank of Australia (RBA) left interest rates unchanged, with no material changes to previous communication.

Economic calendar

Monday 07/04	
Tuesday 08/04	AU: Consumer sentiment, Apr; NAB Business survey, Mar
Wednesday 09/04	
Thursday 10/04	US: CPI, Mar AU: RBA Governor speech
Friday 11/04	US: PPI, Mar; Consumer sentiment (Apr, prelim)

The week ahead

- Developments with tariffs will dominate again this week and US inflation data will be in focus.



Financial markets data: Week ending 4 April 2025

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.10	0	–	-25	▼
90-day BBSW	4.11	-2	▼	-30	▼
3-year Australian Bond Yield	3.42	-34	▼	-40	▼
10-year Australian Bond Yield	4.22	-24	▼	-15	▼
20-year Australian Bond Yield	4.76	-22	▼	-6	▼
10-year Australian Break-Even Inflation	2.10	-7	▼	-23	▼
10-year Australian Real Yield	2.11	-17	▼	8	▲
Fed Funds Rate (lower bound)	4.25	0	–	0	–
2-year US Treasury Yield	3.65	-26	▼	-59	▼
10-year US Treasury Yield	3.99	-26	▼	-57	▼
30-year US Treasury Yield	4.41	-22	▼	-37	▼
10-year German Bund Yield	2.58	-15	▼	21	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.60	-26	▼	-41	▼
3.00% 20 May 2027	3.56	-30	▼	-44	▼
3.00% 20 March 2028	3.64	-33	▼	-43	▼
3.00% 20 April 2029	3.80	-31	▼	-37	▼
3.00% 20 February 2030	3.98	-29	▼	-33	▼
2.00% 20 March 2031	4.21	-27	▼	-28	▼
1.50% 20 February 2032	4.43	-25	▼	-24	▼
2.00% 8 March 2033	4.63	-24	▼	-20	▼
1.75% 20 March 2034	4.84	-23	▼	-16	▼
4.75% 20 February 2035	4.90	-23	▼	-17	▼
4.25% 20 February 2036	5.04	-23	▼	-14	▼
4.75% 20 February 2037	5.19	-20	▼	-8	▼
2.75% 20 November 2025 CIB	2.46	-16	▼	-12	▼
2.50% 20 November 2035 CIB	2.64	-23	▼	-2	▼
10-year NSW TCorp Bond Yield	4.91	-22	▼	-15	▼
10-year TCV (Victoria) Spread	0.07	1	▲	-1	▼
10-year QTC (Queensland) Spread	0.04	0	▲	2	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,668	-3.9%	▼	-6.0%	▼
S&P500 (US)	5,074	-9.1%	▼	-13.7%	▼
FTSE 100 (UK)	8,055	-7.0%	▼	-1.4%	▼
DJ Stoxx600 (Europe)	496	-8.4%	▼	-2.2%	▼
Nikkei 225 (Japan)	33,781	-9.0%	▼	-15.3%	▼
Shanghai Composite (China)	3,342	-0.3%	▼	-0.3%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.604	-3.9%	▼	-2.4%	▼
EUR/USD	1.096	1.2%	▲	5.8%	▲
USD/JPY	146.93	-1.9%	▼	-6.5%	▼
GBP/USD	1.29	-0.4%	▼	3.0%	▲
US\$ Index	103.02	-1.0%	▼	-5.0%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	65.58	-10.9%	▼	-12.1%	▼
Iron Ore (US\$/t)	101.83	-0.6%	▼	-1.7%	▼
Coking Coal (US\$/t)	117.82	-10.5%	▼	-15.5%	▼
Gold (US\$/oz)	3,038.24	-1.5%	▼	15.8%	▲

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