

Financial markets charts

The week that was

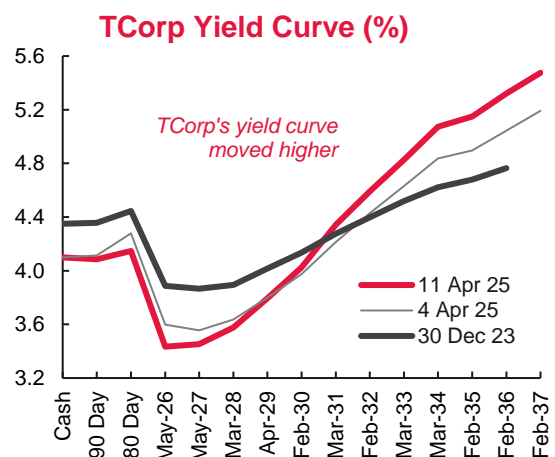
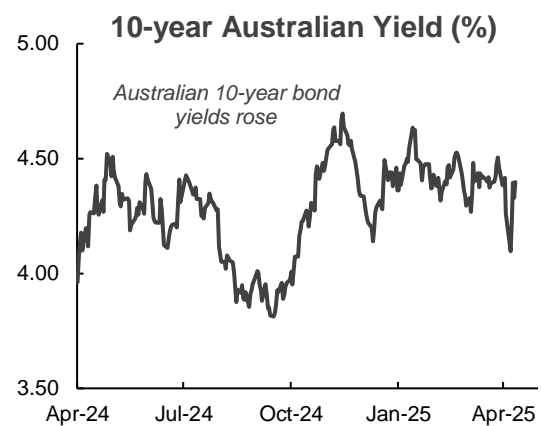
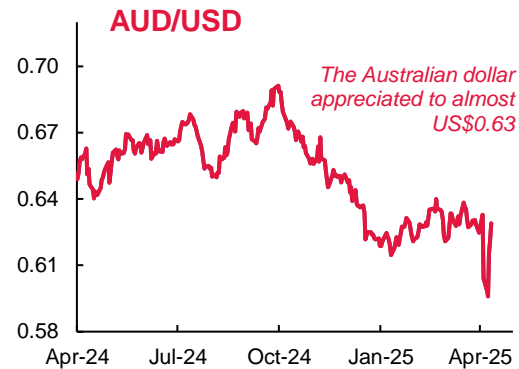
- It was an extremely volatile week in financial markets. China and the US increased tariffs on each other's imports, with the US tariff rate now ~150% and China's tariff rate ~100%. While Trump delayed the implementation of the reciprocal tariffs (announced 2 April) for 90 days, a baseline 10% tariff rate remains on all countries. This is in addition to the 25% tariffs on steel and aluminium imports and captures Canada and Mexico, which were previously excluded from the reciprocal tariffs.
- The pause in reciprocal tariffs boosted investor sentiment, with the US S&P500 ending the week 5.7% higher. However, the average tariff rate on US imports is higher now than when the reciprocal tariffs were first announced.
- The escalation in tariffs heightened concerns that global growth will slow sharply. This would normally see investors seek 'safety' and buy US government bonds (leading to higher bond prices and lower bond yields). Last week, however, US 10-year yields increased 50bps and 3-year yields rose 31bps. This reflects investors becoming more concerned about the inflationary impacts of tariffs, which would constrain the ability of the US Federal Reserve (Fed) to cut interest rates. It could also reflect forced selling by leveraged hedge funds and foreign investors becoming hesitant to invest in the US.
- The rise in US bond yields is believed to have been the trigger for the tariffs pause, as the Trump administration does not want higher government borrowing costs. Even with the pause, the economic environment is uncertain and is likely to weigh on business investment and consumer sentiment.
- Australian 10-year bond yields rose 18bps, following US yields higher. In contrast, 3-year yields fell 13bps as investors expect larger rate cuts by the Reserve Bank of Australia (RBA) in response to the global outlook deteriorating. The ASX200 fell 0.3% and the Australian dollar rose to just under US\$0.63, reflecting broad-based US dollar weakness.

Economic calendar

Monday 14/04	
Tuesday 15/04	AU: RBA Board Minutes, Mar CA: CPI, Mar
Wednesday 16/04	US: Retail sales, Mar CA: Bank of Canada policy decision
Thursday 17/04	AU: Labour force, Mar EC: ECB policy decision
Friday 18/04	JP: National CPI, Mar

The week ahead

- Australian employment data will be in focus. The European Central Bank is expected to cut rates again, while the Bank of Canada holds steady.



Financial markets data: Week ending 11 April 2025

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	4.10	0	–	-25	▼
90-day BBSW	4.08	-3	▼	-33	▼
3-year Australian Bond Yield	3.30	-13	▼	-53	▼
10-year Australian Bond Yield	4.40	18	▲	4	▲
20-year Australian Bond Yield	4.96	21	▲	15	▲
10-year Australian Break-Even Inflation	1.88	-23	▼	-45	▼
10-year Australian Real Yield	2.52	41	▲	49	▲
Fed Funds Rate (lower bound)	4.25	0	–	0	–
2-year US Treasury Yield	3.96	31	▲	-28	▼
10-year US Treasury Yield	4.49	50	▲	-8	▼
30-year US Treasury Yield	4.87	46	▲	9	▲
10-year German Bund Yield	2.57	-1	▼	20	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.43	-17	▼	-57	▼
3.00% 20 May 2027	3.45	-10	▼	-54	▼
3.00% 20 March 2028	3.58	-6	▼	-49	▼
3.00% 20 April 2029	3.79	0	▼	-38	▼
3.00% 20 February 2030	4.03	5	▲	-28	▼
2.00% 20 March 2031	4.34	13	▲	-15	▼
1.50% 20 February 2032	4.59	16	▲	-8	▼
2.00% 8 March 2033	4.83	20	▲	0	▼
1.75% 20 March 2034	5.07	24	▲	7	▲
4.75% 20 February 2035	5.15	25	▲	8	▲
4.25% 20 February 2036	5.32	28	▲	13	▲
4.75% 20 February 2037	5.48	28	▲	20	▲
2.75% 20 November 2025 CIB	2.40	-6	▼	-18	▼
2.50% 20 November 2035 CIB	3.07	43	▲	41	▲
10-year NSW TCorp Bond Yield	5.16	25	▲	11	▲
10-year TCV (Victoria) Spread	0.06	-1	▼	-2	▼
10-year QTC (Queensland) Spread	0.04	-1	▼	1	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	7,646	-0.3%	▼	-6.3%	▼
S&P500 (US)	5,363	5.7%	▲	-8.8%	▼
FTSE 100 (UK)	7,964	-1.1%	▼	-2.6%	▼
DJ Stoxx600 (Europe)	487	-1.9%	▼	-4.1%	▼
Nikkei 225 (Japan)	33,586	-0.6%	▼	-15.8%	▼
Shanghai Composite (China)	3,238	-3.1%	▼	-3.4%	▼
Currencies	Close	1 Week		YTD	
AUD/USD	0.629	4.1%	▲	1.6%	▲
EUR/USD	1.136	3.6%	▲	9.7%	▲
USD/JPY	143.54	-2.3%	▼	-8.7%	▼
GBP/USD	1.31	1.6%	▲	4.6%	▲
US\$ Index	100.10	-2.8%	▼	-7.7%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	64.76	-1.3%	▼	-13.2%	▼
Iron Ore (US\$/t)	99.00	-2.8%	▼	-4.4%	▼
Coking Coal (US\$/t)	120.67	2.4%	▲	-13.5%	▼
Gold (US\$/oz)	3,237.61	6.6%	▲	23.4%	▲

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