

Weekly economic report

10 June 2025

Financial markets charts

The week that was

- US economic data was mixed last week. Survey data suggested that the US economy is facing a difficult combination of slowing growth and higher prices because of tariffs. However, employment growth remains resilient and the unemployment rate is low. The mixed data saw US 10-year bond yields rise 3bps. Australian 10-year bond yields were unchanged. The US S&P500 and ASX200 both ended the week 1.2% higher.
- The Australian economy grew by a weaker-than-expected 0.2% in the March quarter. Consumer spending remains soft, with many people choosing to save more rather than spend any additional income. Lower government spending also weighed on growth, as spending on large state infrastructure projects looks to have peaked. The continued sluggish economic activity suggests that the Reserve Bank of Australia (RBA) has ample scope to cut interest rates further.
- Australia's Fair Work Commission granted a 3.5% increase in minimum and award wages from 1 July. With around 30% of employees directly or indirectly impacted, the decision is an important driver of economy-wide wages growth. The 3.5% increase is above the current inflation rate, allowing the lowest paid workers to regain more of the purchasing power they lost in recent years when inflation was high.
- The European Central Bank (ECB) cut interest rates by another 25bps, as was widely expected. With the ECB's policy rate at 2% and inflation close to target, the ECB President noted that the ECB is getting close to the end of its easing cycle. This communication was more hawkish than investors had expected and triggered a paring back of rate cut expectations, with investors now expecting one more rate cut from the ECB.

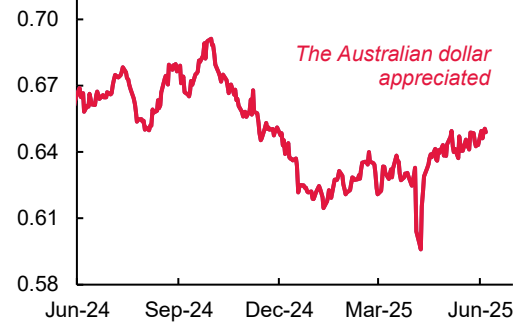
Economic calendar

Monday 09/06	CH: Inflation, May
Tuesday 10/06	AU: Consumer sentiment, Jun; NAB Business survey, May
Wednesday 11/06	US: CPI, May
Thursday 12/06	US: PPI, May
Friday 13/06	

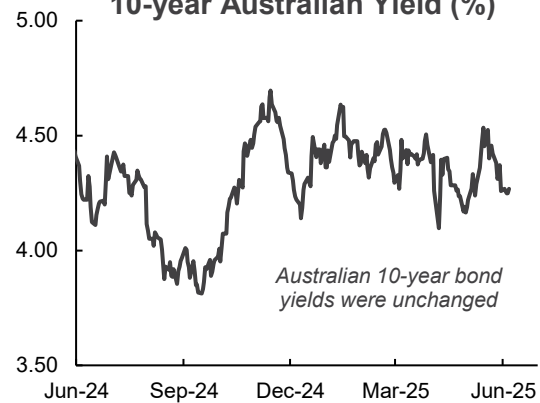
The week ahead

- With limited data releases this week, the focus will be on US inflation data for May. Analysts will be looking for signs of tariff-induced price rises being passed on to consumers.
- In Australia, consumer and business sentiment data will be released.

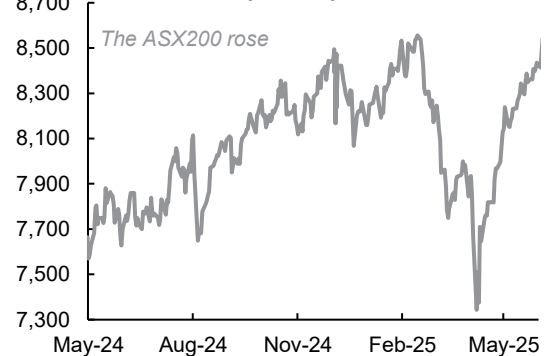
AUD/USD



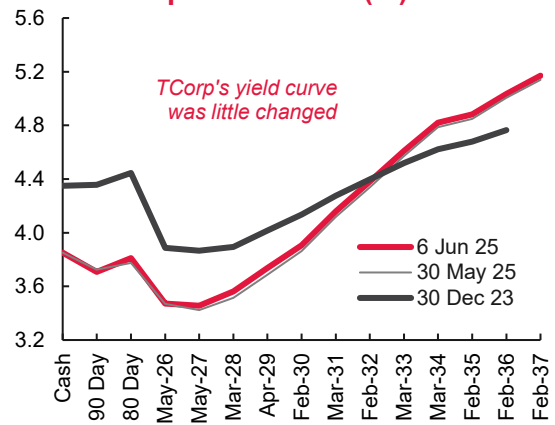
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 6 June 2025

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	3.85	0	—	-50	▼
90-day BBSW	3.71	0	▲	-71	▼
3-year Australian Bond Yield	3.36	4	▲	-46	▼
10-year Australian Bond Yield	4.27	0	▲	-9	▼
20-year Australian Bond Yield	4.83	-4	▼	2	▲
10-year Australian Break-Even Inflation	2.07	-4	▼	-27	▼
10-year Australian Real Yield	2.20	4	▲	17	▲
Fed Funds Rate (lower bound)	4.25	0	—	0	—
2-year US Treasury Yield	4.00	7	▲	-24	▼
10-year US Treasury Yield	4.47	3	▲	-10	▼
30-year US Treasury Yield	4.94	-3	▼	16	▲
10-year German Bund Yield	2.57	4	▲	20	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.47	0	▼	-54	▼
3.00% 20 May 2027	3.46	3	▲	-54	▼
3.00% 20 March 2028	3.56	5	▲	-50	▼
3.00% 20 April 2029	3.74	5	▲	-44	▼
3.00% 20 February 2030	3.91	4	▲	-40	▼
2.00% 20 March 2031	4.16	4	▲	-34	▼
1.50% 20 February 2032	4.38	3	▲	-29	▼
2.00% 8 March 2033	4.61	3	▲	-22	▼
1.75% 20 March 2034	4.82	2	▲	-18	▼
4.75% 20 February 2035	4.88	3	▲	-19	▼
4.25% 20 February 2036	5.03	2	▲	-15	▼
4.75% 20 February 2037	5.17	2	▲	-11	▼
5.25% 24 February 2038	5.28	2	▲	--	--
2.75% 20 November 2025 CIB	1.20	-2	▼	-212	▼
2.50% 20 November 2035 CIB	2.76	4	▲	3	▲
10-year NSW TCorp Bond Yield	4.92	3	▲	-13	▼
10-year TCV (Victoria) Spread	0.07	0	▼	-1	▼
10-year QTC (Queensland) Spread	0.07	0	▲	5	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,516	1.2%	▲	4.4%	▲
S&P500 (US)	6,006	1.2%	▲	2.1%	▲
FTSE 100 (UK)	8,832	0.7%	▲	8.1%	▲
DJ Stoxx600 (Europe)	553	1.0%	▲	9.0%	▲
Nikkei 225 (Japan)	38,089	1.6%	▲	-4.5%	▼
Shanghai Composite (China)	3,400	1.6%	▲	1.4%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.652	0.3%	▲	4.9%	▲
EUR/USD	1.142	-0.2%	▼	9.7%	▲
USD/JPY	144.57	1.3%	▲	-7.8%	▼
GBP/USD	1.36	0.1%	▲	8.0%	▲
US\$ Index	98.94	0.2%	▲	-8.8%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	67.04	3.7%	▲	-10.2%	▼
Iron Ore (US\$/t)	95.56	-0.5%	▼	-7.8%	▼
Coking Coal (US\$/t)	90.38	-2.6%	▼	-35.2%	▼
Gold (US\$/oz)	3,326.19	-1.6%	▼	26.7%	▲

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