

Weekly economic report

16 June 2025

Financial markets charts

The week that was

- US economic data was softer-than-expected last week, particularly inflation data for May. Investors were encouraged that there was no obvious impact of tariffs on prices, which led to US 10-year bond yields ending the week 11bps lower. However, the inflationary impact of tariffs is likely to start becoming evident in June as it takes time for retailers to raise prices. Inventory building ahead of the tariffs may also delay some price rises.
- Survey data suggests that conditions for small business in the US are challenging, as firms face slowing demand and rising price pressures. This is manifesting in businesses reducing their investment and hiring plans.
- Conditions for Australian businesses are also reportedly becoming more challenging. Soft domestic demand, particularly consumer spending, is pressuring profitability. It is also leading to a subdued outlook for business investment and increasing risks to employment. Importantly – unlike in the US – price pressures continue to ease, which provides the RBA with scope to keep cutting interest rates.
- Australian 10-year bond yields followed US yields, also ending the week 11bps lower. The ASX200 rose 0.4%, while the US S&P500 fell by 0.4%.
- The Australian dollar was stable against the US dollar last week. However, the US dollar depreciated against a range of other currencies, with the US dollar reaching its lowest level since March 2022 (in trade-weighted terms).
- Oil prices rose sharply last week, by almost 12%, as the conflict between Israel and Iran raised concerns about disrupted oil supply. Higher oil prices will increase inflation globally and put upward pressure on bond yields, reversing the support that lower oil prices have provided this year.

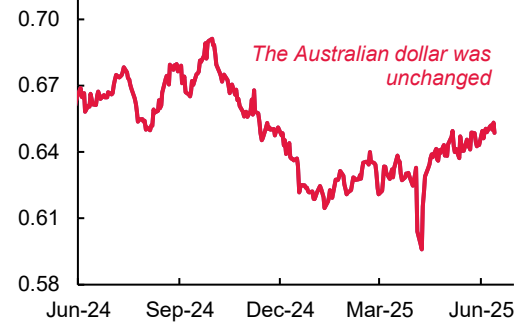
Economic calendar [check US dates]

Monday 16/06	CH: Monthly activity data, May
Tuesday 17/06	JP: Bank of Japan policy decision US: Retail sales, May
Wednesday 18/06	US: Federal Reserve policy decision UK: CPI, May
Thursday 19/06	AU: Labour force, May UK: Bank of England policy decision
Friday 20/06	JP: National CPI, May

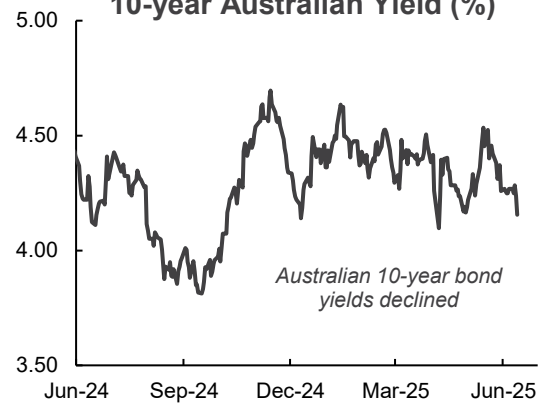
The week ahead

- Central banks in the US, UK and Japan meet and are expected to keep rates on hold. Inflation data in the UK and Japan will also be released.
- Locally, employment data for May will be the focus.

AUD/USD



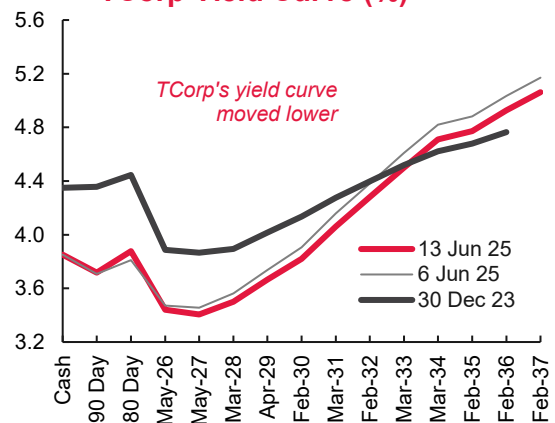
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 13 June 2025

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	3.85	0	—	-50	▼
90-day BBSW	3.72	1	▲	-70	▼
3-year Australian Bond Yield	3.29	-7	▼	-53	▼
10-year Australian Bond Yield	4.15	-11	▼	-21	▼
20-year Australian Bond Yield	4.75	-9	▼	-7	▼
10-year Australian Break-Even Inflation	2.04	-2	▼	-29	▼
10-year Australian Real Yield	2.11	-9	▼	8	▲
Fed Funds Rate (lower bound)	4.25	0	—	0	—
2-year US Treasury Yield	3.95	-9	▼	-29	▼
10-year US Treasury Yield	4.40	-11	▼	-17	▼
30-year US Treasury Yield	4.89	-7	▼	11	▲
10-year German Bund Yield	2.54	-4	▼	17	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.44	-3	▼	-57	▼
3.00% 20 May 2027	3.41	-5	▼	-59	▼
3.00% 20 March 2028	3.50	-6	▼	-57	▼
3.00% 20 April 2029	3.66	-7	▼	-51	▼
3.00% 20 February 2030	3.82	-9	▼	-49	▼
2.00% 20 March 2031	4.06	-10	▼	-43	▼
1.50% 20 February 2032	4.28	-10	▼	-39	▼
2.00% 8 March 2033	4.50	-11	▼	-33	▼
1.75% 20 March 2034	4.71	-11	▼	-29	▼
4.75% 20 February 2035	4.77	-11	▼	-30	▼
4.25% 20 February 2036	4.93	-11	▼	-26	▼
4.75% 20 February 2037	5.06	-11	▼	-21	▼
5.25% 24 February 2038	5.18	-11	▼	--	--
2.75% 20 November 2025 CIB	1.12	-8	▼	-220	▼
2.50% 20 November 2035 CIB	2.68	-8	▼	-5	▼
10-year NSW TCorp Bond Yield	4.81	-11	▼	-24	▼
10-year TCV (Victoria) Spread	0.06	0	▼	-1	▼
10-year QTC (Queensland) Spread	0.07	0	▼	5	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,547	0.4%	▲	4.8%	▲
S&P500 (US)	5,977	-0.4%	▼	1.6%	▲
FTSE 100 (UK)	8,851	0.1%	▲	8.3%	▲
DJ Stoxx600 (Europe)	545	-1.6%	▼	7.4%	▲
Nikkei 225 (Japan)	37,834	0.2%	▲	-5.2%	▼
Shanghai Composite (China)	3,377	-0.2%	▼	0.8%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.649	0.0%	▼	4.8%	▲
EUR/USD	1.155	1.3%	▲	11.5%	▲
USD/JPY	144.07	-0.5%	▼	-8.4%	▼
GBP/USD	1.36	0.3%	▲	8.4%	▲
US\$ Index	98.18	-1.0%	▼	-9.5%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	74.23	11.7%	▲	-0.5%	▼
Iron Ore (US\$/t)	95.10	-1.2%	▼	-8.2%	▼
Coking Coal (US\$/t)	94.68	5.8%	▲	-32.1%	▼
Gold (US\$/oz)	3,432.34	3.7%	▲	30.8%	▲

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