

Weekly economic report

23 June 2025

Financial markets charts

The week that was

- Financial markets focused on the conflict between Israel and Iran. While the conflict caused volatility in markets, US and Australian equity markets ended the week only slightly lower (0.2% and 0.5%, respectively). Global bond yields were also little changed overall, with US 10-year yields 2bps lower and Australian 10-year bond yields 3bps higher.
- Oil prices rose 3.7% on concerns that the conflict would disrupt oil supply. Oil prices are up 20% in June to date, to be at their highest level since January 2025. The potential for a significant rise in energy prices weighed on European equities last week, as Europe is a large energy importer.
- Some other commodity prices have fallen, which has weighed on the share prices of Australian mining companies and dragged down the ASX200.
- The US Federal Reserve (Fed) left rates on hold, as expected. Compared to 3 months ago, Fed policymakers expect weaker US economic growth, higher unemployment and higher inflation. Higher inflation is limiting the Fed's ability to cut interest rates further, with more Fed members now leaning towards fewer rate cuts over the coming year.
- The US dollar rose against a range of currencies last week, including the Australian dollar. This is consistent with historical experience during conflicts. Nevertheless, the US dollar is 9% lower than at the start of this year (on a trade-weighted basis).
- Australian employment unexpectedly fell slightly in May, though monthly data are volatile. Labour market conditions have remained stable over the past 6 months – the unemployment rate has been around 4% and employment has grown in line with population growth. Despite this, investors consider a Reserve Bank of Australia rate cut in July very likely.

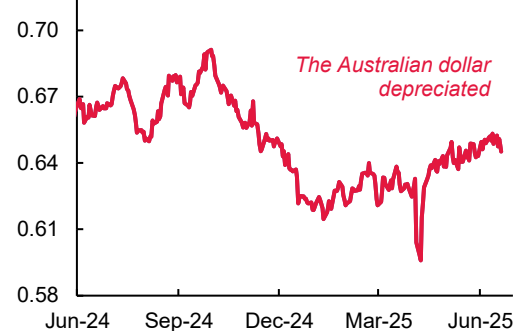
Economic calendar

Monday 23/06	Global: PMIs, Jun (preliminary)
Tuesday 24/06	US: Consumer confidence, Jun CA: CPI, May
Wednesday 25/06	AU: Monthly CPI, May US: GDP, Q1 (third read)
Thursday 26/06	AU: Job vacancies, May quarter
Friday 27/06	US: Core PCE deflator, May JP: Tokyo CPI, Jun

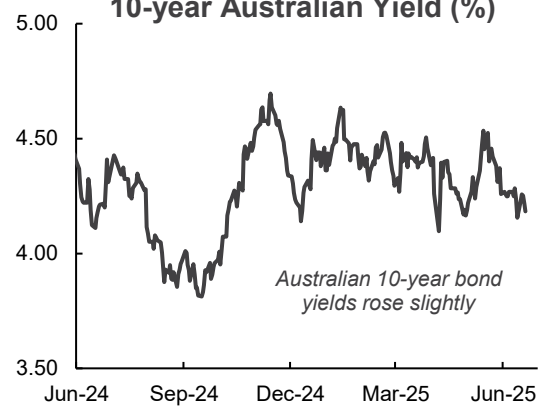
The week ahead

- Global Purchasing Managers Indexes (PMIs) will provide timely reads of economic activity and preliminary impacts of higher tariffs on prices. US inflation data for May will be released, but the impact of tariffs on prices is unlikely to be evident until June at the earliest.
- Locally, inflation data for May will be in focus.

AUD/USD



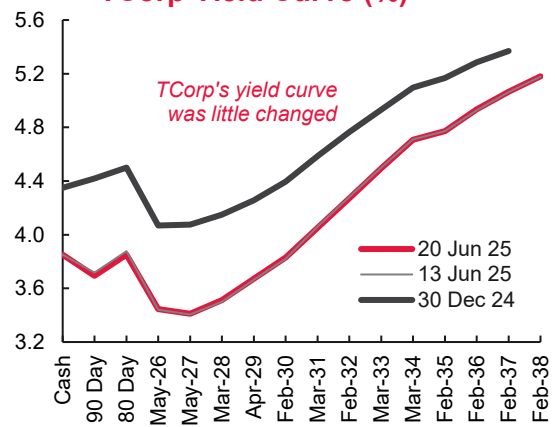
10-year Australian Yield (%)



ASX200 (Index)



TCorp Yield Curve (%)



Financial markets data: Week ending 20 June 2025

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	3.85	0	—	-50	▼
90-day BBSW	3.69	-2	▼	-72	▼
3-year Australian Bond Yield	3.32	2	▲	-51	▼
10-year Australian Bond Yield	4.18	3	▲	-18	▼
20-year Australian Bond Yield	4.78	3	▲	-4	▼
10-year Australian Break-Even Inflation	2.05	1	▲	-28	▼
10-year Australian Real Yield	2.13	2	▲	10	▲
Fed Funds Rate (lower bound)	4.25	0	—	0	—
2-year US Treasury Yield	3.91	-4	▼	-33	▼
10-year US Treasury Yield	4.38	-2	▼	-19	▼
30-year US Treasury Yield	4.89	0	▼	11	▲
10-year German Bund Yield	2.52	-2	▼	15	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.44	0	▲	-56	▼
3.00% 20 May 2027	3.41	1	▲	-58	▼
3.00% 20 March 2028	3.51	1	▲	-56	▼
3.00% 20 April 2029	3.67	1	▲	-50	▼
3.00% 20 February 2030	3.83	1	▲	-48	▼
2.00% 20 March 2031	4.05	-1	▼	-44	▼
1.50% 20 February 2032	4.27	-1	▼	-40	▼
2.00% 8 March 2033	4.50	-1	▼	-34	▼
1.75% 20 March 2034	4.71	0	▼	-29	▼
4.75% 20 February 2035	4.77	0	▲	-30	▼
4.25% 20 February 2036	4.93	1	▲	-25	▼
4.75% 20 February 2037	5.06	0	▲	-21	▼
5.25% 24 February 2038	5.18	0	▲	--	--
2.75% 20 November 2025 CIB	1.06	-7	▼	-227	▼
2.50% 20 November 2035 CIB	2.65	-3	▼	-8	▼
10-year NSW TCorp Bond Yield	4.82	0	▲	-23	▼
10-year TCV (Victoria) Spread	0.05	-1	▼	-3	▼
10-year QTC (Queensland) Spread	0.08	0	▲	6	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,505	-0.5%	▼	4.2%	▲
S&P500 (US)	5,968	-0.2%	▼	1.5%	▲
FTSE 100 (UK)	8,775	-0.9%	▼	7.4%	▲
DJ Stoxx600 (Europe)	537	-1.5%	▼	5.7%	▲
Nikkei 225 (Japan)	38,403	1.5%	▲	-3.7%	▼
Shanghai Composite (China)	3,360	-0.5%	▼	0.2%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.645	-0.5%	▼	4.3%	▲
EUR/USD	1.152	-0.2%	▼	11.3%	▲
USD/JPY	146.09	1.4%	▲	-7.1%	▼
GBP/USD	1.35	-0.9%	▼	7.5%	▲
US\$ Index	98.71	0.5%	▲	-9.0%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	77.01	3.7%	▲	3.2%	▲
Iron Ore (US\$/t)	94.70	-0.4%	▼	-8.6%	▼
Coking Coal (US\$/t)	107.59	13.6%	▲	-22.9%	▼
Gold (US\$/oz)	3,368.39	-1.9%	▼	28.3%	▲

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