

Financial markets charts

The week that was

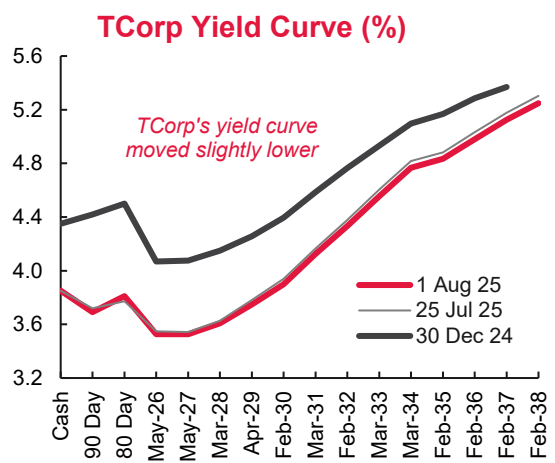
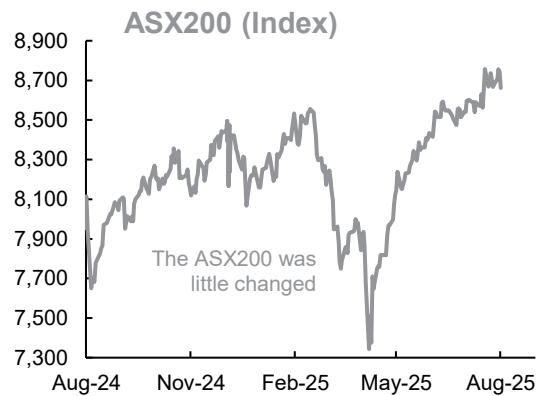
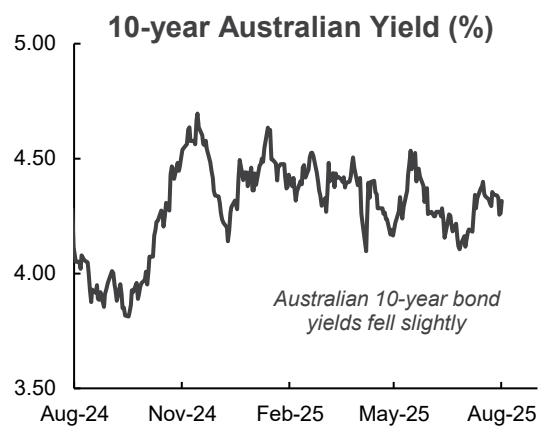
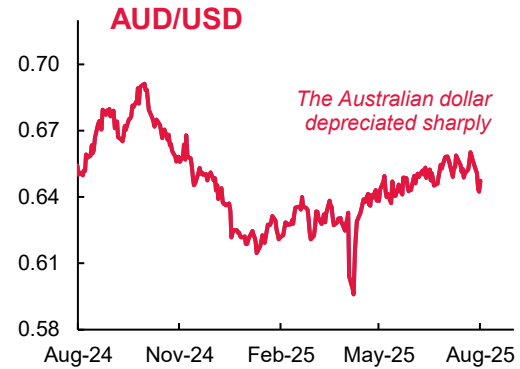
- Australian inflation for the June quarter was in line with the Reserve Bank of Australia's (RBA) most recent forecasts and is within the target band. This solidified expectations for an August rate cut by the RBA and saw Australian 10-year bond yields end the week 3bps lower. It also boosted banking stocks, though the ASX200 ended the week little changed as mining companies weighed.
- The US Federal Reserve (Fed) left interest rates unchanged, with the Fed Chair noting that it is still too early to see the impact of tariffs on the US economy. However, a weaker-than-expected employment report suggested that the US labour market has been much softer the past few months than originally thought. This triggered a sharp fall in US bond yields and US equities.
- US 2-year and 10-year bond yields ended the week 24bps and 17bps lower, respectively, and the S&P500 fell by 2.4%. Investors are now almost certain that the Fed will cut rates in September.
- The Australian dollar depreciated by 1.4% against the US dollar last week, partly reflecting increased conviction that the RBA will cut rates in August.
- Tariff headlines remained in focus. A 15% tariff on imports from the EU was announced, with the deal including significant EU investment in the US and large purchases of US oil and gas. High tariffs will likely affect European growth and weighed on European equities, the euro and bond yields.
- Australia's tariff rate was confirmed to remain at 10%. Negotiations with some trading partners, including China and Mexico are ongoing. The average tariff rate on US imports is currently close to 20%, almost where it was when President Trump announced his 'Liberation Day' tariffs on 2 April.

Economic calendar

Monday 04/08	
Tuesday 05/08	US: ISM Services index, Jul AU: Household Spending Indicator, Jun
Wednesday 06/08	
Thursday 07/08	UK: Bank of England policy decision US: Jobless claims
Friday 08/08	

The week ahead

- Locally, the Australian Bureau of Statistics Household Spending Indicator will provide another read on consumer spending. This will replace the Retail Trade release from next month.
- Offshore, the Bank of England is expected to lower interest rates again, to 4.00%.



Financial markets data: Week ending 1 August 2025

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	3.85	0	–	-50	▼
90-day BBSW	3.69	-3	▼	-73	▼
3-year Australian Bond Yield	3.46	-3	▼	-36	▼
10-year Australian Bond Yield	4.32	-3	▼	-5	▼
20-year Australian Bond Yield	4.92	-3	▼	11	▲
10-year Australian Break-Even Inflation	2.18	5	▲	-16	▼
10-year Australian Real Yield	2.14	-8	▼	11	▲
Fed Funds Rate (lower bound)	4.25	0	–	0	–
2-year US Treasury Yield	3.68	-24	▼	-56	▼
10-year US Treasury Yield	4.22	-17	▼	-35	▼
30-year US Treasury Yield	4.82	-11	▼	4	▲
10-year German Bund Yield	2.68	-4	▼	31	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.53	-2	▼	-48	▼
3.00% 20 May 2027	3.53	-2	▼	-47	▼
3.00% 20 March 2028	3.61	-2	▼	-46	▼
3.00% 20 April 2029	3.75	-3	▼	-42	▼
3.00% 20 February 2030	3.90	-4	▼	-41	▼
2.00% 20 March 2031	4.13	-4	▼	-37	▼
1.50% 20 February 2032	4.33	-4	▼	-34	▼
2.00% 8 March 2033	4.55	-5	▼	-28	▼
1.75% 20 March 2034	4.77	-5	▼	-23	▼
4.75% 20 February 2035	4.84	-5	▼	-23	▼
4.25% 20 February 2036	4.98	-5	▼	-21	▼
4.75% 20 February 2037	5.12	-5	▼	-15	▼
5.25% 24 February 2038	5.25	-5	▼	--	--
2.75% 20 November 2025 CIB	0.74	-19	▼	-259	▼
2.50% 20 November 2035 CIB	2.59	-11	▼	-13	▼
10-year NSW TCorp Bond Yield	4.89	-3	▼	-16	▼
10-year TCV (Victoria) Spread	0.10	3	▲	3	▲
10-year QTC (Queensland) Spread	0.06	0	▼	4	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,662	-0.1%	▼	6.2%	▲
S&P500 (US)	6,238	-2.4%	▼	6.1%	▲
FTSE 100 (UK)	9,069	-0.6%	▼	11.0%	▲
DJ Stoxx600 (Europe)	536	-2.6%	▼	5.5%	▲
Nikkei 225 (Japan)	40,800	-1.6%	▼	2.3%	▲
Shanghai Composite (China)	3,560	-0.9%	▼	6.2%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.647	-1.4%	▼	4.6%	▲
EUR/USD	1.159	-1.3%	▼	11.9%	▲
USD/JPY	147.40	-0.2%	▼	-6.2%	▼
GBP/USD	1.33	-1.2%	▼	6.1%	▲
US\$ Index	99.14	1.5%	▲	-8.6%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	69.67	1.8%	▲	-6.7%	▼
Iron Ore (US\$/t)	99.65	0.1%	▲	-3.8%	▼
Coking Coal (US\$/t)	126.52	-19.0%	▼	-9.3%	▼
Gold (US\$/oz)	3,363.48	0.8%	▲	28.2%	▲

Brian Redican
Chief Economist
brian.redican@tcorp.nsw.gov.au

Emily Perry
Senior Economist
emily.perry@tcorp.nsw.gov.au



Level 7, Deutsche Bank Place
126 Phillip Street
Sydney NSW 2000, Australia

T +61 2 9325 9325

W www.tcorp.nsw.gov.au

ABN 99 235 825

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