

Weekly economic report

28 July 2025

Financial markets charts

The week that was

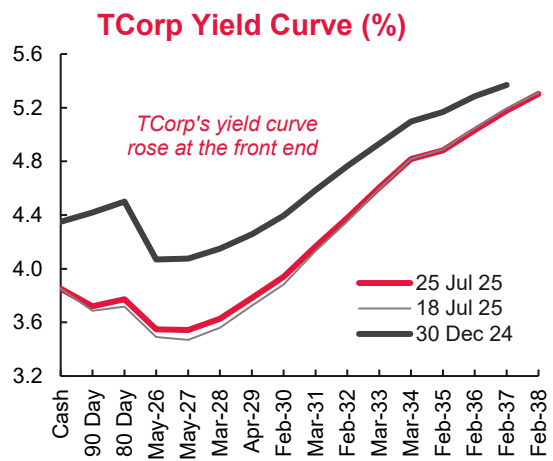
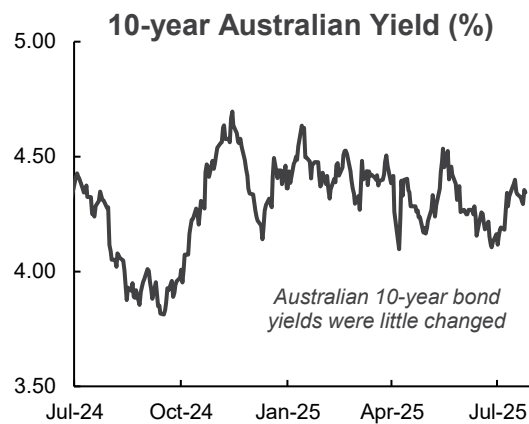
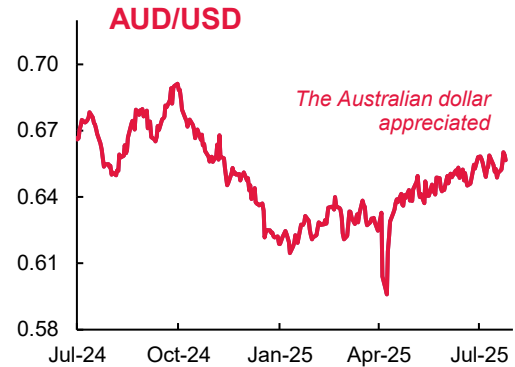
- Financial markets focused on trade-related headlines and risk sentiment was boosted by the announcement of new trade deals. A tariff rate of 19% on imports from the Philippines was agreed to and 15% on imports from Japan, including on automobiles. Japan's equity market rose by 4.1% last week and the S&P500 gained 1.5%.
- In Europe, the European Central Bank (ECB) held rates steady. Although markets were expecting at least one more rate cut this year, the ECB President indicated that it was likely to keep rates steady for a while. This likely weighed on European equities, which gained a more modest 0.5% last week.
- The Minutes from the Reserve Bank of Australia (RBA) July meeting reiterated the Board's cautious and gradual approach to cutting interest rates. In particular, the Board wants to see inflation data for the June quarter – released this week – before cutting rates again. Australian 10-year bond yields rose 1bps, though 3-year bond yields increased by 8bps. US 10-year bond yields fell 3bps.
- The ASX200 underperformed, falling by 1%. Bank share prices weighed heavily on the market, which was partly offset by strong gains for resources.

Economic calendar

Monday 28/07	
Tuesday 29/07	US: JOLTS job openings, Jun; Consumer confidence, Jul
Wednesday 30/07	AU: CPI, Q2 US: GDP, Q2 (advance release); Federal Reserve policy decision CA: Bank of Canada policy decision EC: GDP, Q2 (advance release)
Thursday 31/07	US: Core PCE deflator, Jun; Employment Cost Index, Q2 JP: Bank of Japan policy decision AU: Retail sales, Jun; Building approvals, Jun
Friday 01/08	US: Non-farm payrolls, Jul; ISM Manufacturing, Jul

The week ahead

- Australian inflation data for the June quarter will be in focus, as this is the key data the RBA is watching ahead of its August policy meeting.
- There are several important data releases in the US this week, particularly GDP and wages growth data for the June quarter, non-farm payrolls for July, and the US Federal Reserve's favourite measure of inflation for June.
- US corporate earnings season continues, with some big tech companies reporting this week.
- Central banks in the US, Canada and Japan are expected to keep rates on hold.



Financial markets data: Week ending 25 July 2025

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	3.85	0	—	-50	▼
90-day BBSW	3.72	3	▲	-70	▼
3-year Australian Bond Yield	3.49	8	▲	-34	▼
10-year Australian Bond Yield	4.34	1	▲	-2	▼
20-year Australian Bond Yield	4.95	4	▲	13	▲
10-year Australian Break-Even Inflation	2.13	-1	▼	-20	▼
10-year Australian Real Yield	2.21	2	▲	18	▲
Fed Funds Rate (lower bound)	4.25	0	—	0	—
2-year US Treasury Yield	3.92	5	▲	-32	▼
10-year US Treasury Yield	4.39	-3	▼	-18	▼
30-year US Treasury Yield	4.93	-6	▼	15	▲
10-year German Bund Yield	2.72	2	▲	35	▲
NSW TCorp Bonds	Close (%)	1 Week (bps)		YTD (bps)	
4.00% 20 May 2026	3.55	6	▲	-46	▼
3.00% 20 May 2027	3.54	7	▲	-45	▼
3.00% 20 March 2028	3.63	6	▲	-44	▼
3.00% 20 April 2029	3.78	6	▲	-39	▼
3.00% 20 February 2030	3.94	6	▲	-37	▼
2.00% 20 March 2031	4.17	4	▲	-33	▼
1.50% 20 February 2032	4.38	3	▲	-29	▼
2.00% 8 March 2033	4.61	1	▲	-23	▼
1.75% 20 March 2034	4.82	0	▲	-18	▼
4.75% 20 February 2035	4.88	-1	▼	-19	▼
4.25% 20 February 2036	5.03	-1	▼	-16	▼
4.75% 20 February 2037	5.18	-2	▼	-10	▼
5.25% 24 February 2038	5.30	-1	▼	--	--
2.75% 20 November 2025 CIB	0.93	-4	▼	-240	▼
2.50% 20 November 2035 CIB	2.71	1	▲	-2	▼
10-year NSW TCorp Bond Yield	4.93	-1	▼	-12	▼
10-year TCV (Victoria) Spread	0.07	1	▲	0	▼
10-year QTC (Queensland) Spread	0.06	0	▼	4	▲
Equities	Close	1 Week		YTD	
S&P/ASX200 (Australia)	8,667	-1.0%	▼	6.2%	▲
S&P500 (US)	6,389	1.5%	▲	8.6%	▲
FTSE 100 (UK)	9,120	1.4%	▲	11.6%	▲
DJ Stoxx600 (Europe)	550	0.5%	▲	8.3%	▲
Nikkei 225 (Japan)	41,456	4.1%	▲	3.9%	▲
Shanghai Composite (China)	3,594	1.7%	▲	7.2%	▲
Currencies	Close	1 Week		YTD	
AUD/USD	0.657	0.9%	▲	5.7%	▲
EUR/USD	1.174	1.0%	▲	12.8%	▲
USD/JPY	147.69	-0.8%	▼	-5.8%	▼
GBP/USD	1.34	0.2%	▲	7.1%	▲
US\$ Index	97.65	-0.8%	▼	-10.0%	▼
Commodities	Close	1 Week		YTD	
Brent Oil (US\$/bbl)	68.44	-1.2%	▼	-8.3%	▼
Iron Ore (US\$/t)	99.55	1.2%	▲	-3.9%	▼
Coking Coal (US\$/t)	156.29	29.0%	▲	12.1%	▲
Gold (US\$/oz)	3,337.30	-0.4%	▼	27.2%	▲

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

Disclaimer

The opinions, forecasts and data contained in this report is based on the research of TCorp as at the date of publication and is subject to change without notice. TCorp is not responsible for the accuracy, adequacy, completeness of any information in the report provided by third parties. This report is provided for general information purposes only and should not be relied upon for investment or trading purposes. This report is not intended to forecast or predict future events.

Unauthorised copying and distribution of this material is prohibited.

© New South Wales Treasury Corporation 2025. All rights reserved.

About TCorp

TCorp provides best-in-class investment management, financial management, solutions and advice to the New South Wales (NSW) public sector. TCorp is NSW's sovereign investment manager, responsible for A\$118 billion of assets under management and acts as the central borrowing authority of the state, with a balance sheet of A\$198 billion. It is rated Aaa (Stable) by Moody's, AAA (Stable) by Fitch, and AA+ (Negative) by S&P.