

## The week that was

- US 10-year bond yields rose by 6bps last week as investors worry that the Trump administration may compromise the independence of the US central bank and its inflation target.
- Australian bond yields rose by a more modest 2bps as healthy consumer spending data for November was offset by falling consumer sentiment over December and January. Analysts think that Australian households are increasingly waiting for sale events such as "Black Friday" which is changing the seasonal pattern of spending. Australian job vacancies also edged lower in the December quarter as private firms reduce hiring.
- The US equity market fell by 0.4% last week continuing its hesitant start to 2026. In contrast, Australian stocks rose by a healthy 2.1% with mining companies performing particularly well. The standout market last week, however, was Japan's Nikkei 225 index which surged 3.8% as investors anticipate more fiscal stimulus and a supportive central bank.
- While mining companies have performed well in 2026, commodity prices were mixed last week. Oil prices rose by 1.2% and gold prices rose by almost 2% last week, however iron ore and coal prices moved lower. The Australian dollar also eased slightly last week but has risen by 7½% against the US dollar over the past year.

## Economic calendar

Monday 19/01	CH: Monthly activity data, Dec EU: CPI, Dec
Tuesday 20/01	EU: German ZEW survey, Dec
Wednesday 21/01	EU: ECB speakers
Thursday 22/01	US: PCE inflation, Nov AU: Employment, Dec
Friday 23/01	Global: Purchasing Managers Indexes, Jan JP: Bank of Japan meeting

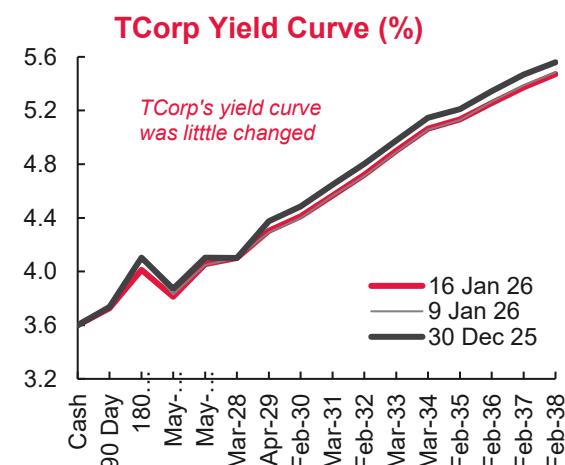
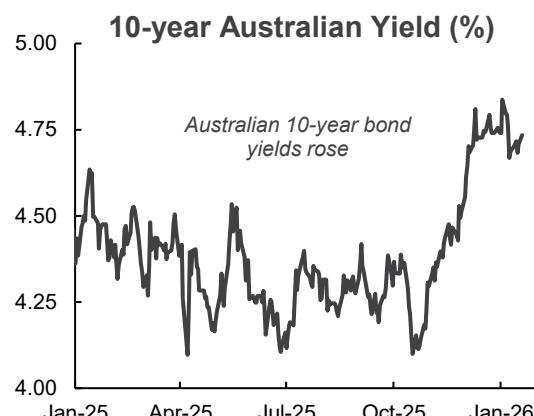
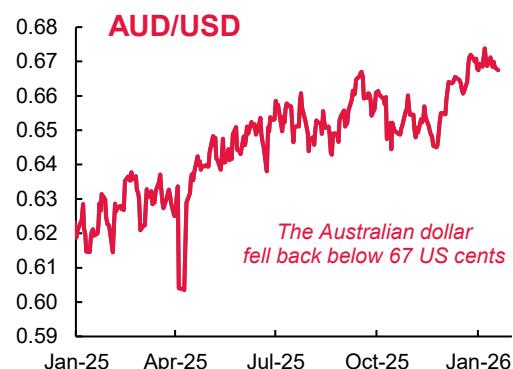
## The week ahead

- In Australia, the December labour force survey will be the main focus. A rise in the unemployment rate would reduce the risk of the Reserve Bank raising interest rates in February.
- China releases its monthly data this week with investors hoping for signs of stabilisation in its property market. In Japan, the central bank meets this week but is not expected to change policy while a general election takes place.

# Weekly economic report

19 January 2025

## Financial markets charts



## Financial markets data: Week ending 16 January 2026

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)	YTD (BPS)
RBA Cash Rate	3.60	0	-
90-day BBSW	3.73	-1	▼ -1
3-year Australian Bond Yield	4.11	2	▲ -3
10-year Australian Bond Yield	4.71	2	▲ -3
20-year Australian Bond Yield	5.17	3	▲ -1
10-year Australian Break-Even Inflation	2.31	-2	▼ 0
10-year Australian Real Yield	2.40	4	▲ -3
Fed Funds Rate (lower bound)	3.50	0	-
2-year US Treasury Yield	3.59	5	▲ 11
10-year US Treasury Yield	4.22	6	▲ 6
30-year US Treasury Yield	4.84	2	▲ -1
10-year German Bund Yield	2.84	-3	▼ -2
<b>NSW TCorp Bonds</b>	<b>Close (%)</b>	<b>1 Week (bps)</b>	<b>YTD (bps)</b>
4.00% 20 May 2026	3.81	-2	▼ -6
3.00% 20 May 2027	4.06	1	▲ -5
3.00% 20 March 2028	4.19	1	▲ -7
3.00% 20 April 2029	4.30	1	▲ -8
3.00% 20 February 2030	4.41	1	▲ -7
2.00% 20 March 2031	4.57	0	▲ -8
1.50% 20 February 2032	4.72	1	▲ -8
2.00% 8 March 2033	4.90	1	▲ -7
1.75% 20 March 2034	5.07	1	▲ -7
4.75% 20 February 2035	5.13	1	▲ -7
4.25% 20 February 2036	5.26	-1	▼ -8
4.75% 20 February 2037	5.37	-2	▼ -9
5.25% 24 February 2038	5.47	-1	▼ --
2.50% 20 November 2035 CIB	2.87	9	▲ -1
10-year NSW TCorp Bond Yield	5.25	0	▲ -7
10-year TCV (Victoria) Spread	0.06	-1	▼ -1
10-year QTC (Queensland) Spread	0.04	-2	▼ -1
<b>Equities</b>	<b>Close</b>	<b>1 Week</b>	<b>YTD</b>
S&P/ASX200 (Australia)	8,904	2.1%	▲ 2.2%
S&P500 (US)	6,940	-0.4%	▼ 1.4%
FTSE 100 (UK)	10,235	1.1%	▲ 3.1%
DJ Stoxx600 (Europe)	614	0.8%	▲ 3.7%
Nikkei 225 (Japan)	53,936	3.8%	▲ 7.1%
Shanghai Composite (China)	4,102	-0.4%	▼ 3.4%
<b>Currencies</b>	<b>Close</b>	<b>1 Week</b>	<b>YTD</b>
AUD/USD	0.668	-0.1%	▼ 0.1%
EUR/USD	1.160	-0.3%	▼ -1.2%
USD/JPY	158.12	0.1%	▲ 0.9%
GBP/USD	1.34	-0.2%	▼ -0.4%
US\$ Index	99.39	0.3%	▲ 1.1%
<b>Commodities</b>	<b>Close</b>	<b>1 Week</b>	<b>YTD</b>
Brent Oil (US\$/bbl)	64.13	1.2%	▲ 5.4%
Iron Ore (US\$/t)	106.92	-1.3%	▼ -0.3%
Coking Coal (US\$/t)	158.30	-3.4%	▼ 5.8%
Gold (US\$/oz)	4,596.09	1.9%	▲ 6.4%

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