

# Weekly economic report

27 January 2025

## Financial markets charts

### The week that was

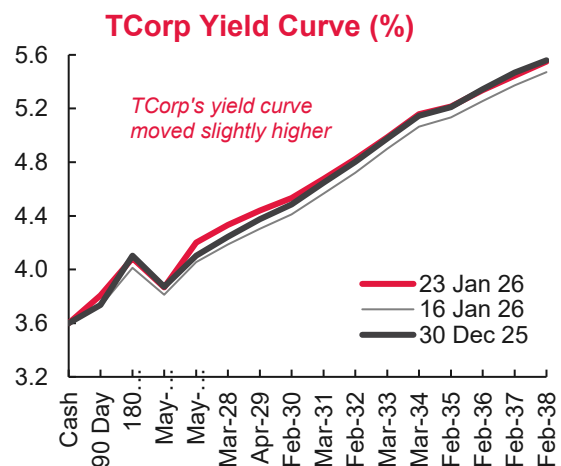
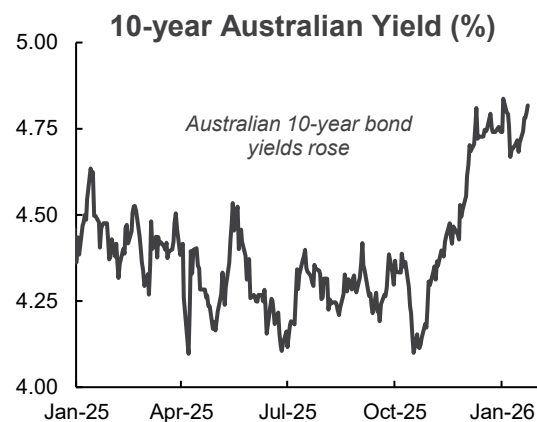
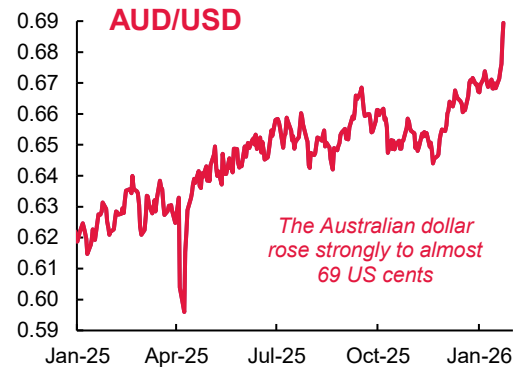
- Australian employment growth surprised to the upside in December, with the unemployment rate falling from 4.3% to 4.1%. Although monthly data is volatile, it was interpreted as strengthening the case for a rate hike by the Reserve Bank of Australia (RBA) at its February meeting. This saw Australian 3-year bond and 10-year bond yields end the week 16bps and 11bps higher, respectively.
- In contrast, US bond yields were little changed last week. The divergence between US and Australian 10-year bond yields remains unusually large, at around +60bps.
- Geopolitics and President Trump's comments about Greenland caused some volatility and weighed on equity markets. The US S&P500 fell by 0.4% and the ASX200 declined by 0.5%.
- The ongoing geopolitical uncertainty helped the price of gold rise strongly again last week, to exceed US\$5000 per ounce on Monday. The price of silver is also at a record high.
- Higher Australian bond yields, combined with the US dollar weakening against a broad range of currencies, saw the Australian dollar rise strongly to just under US\$0.69 – its highest level since September 2024.

### Economic calendar

<b>Monday</b> <b>26/01</b>	
<b>Tuesday</b> <b>27/01</b>	US: Federal Reserve Policy Decision AU: NAB Business Survey, Dec
<b>Wednesday</b> <b>28/01</b>	AU: CPI, Q4
<b>Thursday</b> <b>29/01</b>	US: PPI, Dec
<b>Friday</b> <b>30/01</b>	EU: GDP, Q4 (advance read) AU: PPI, Q4

### The week ahead

- The focus locally will be on Australian Q4 inflation data, which will be key for the RBA ahead of its policy meeting in early February.
- Central banks in the US and Canada meet, with both expected to leave interest rates on hold.
- US corporate earnings reports will be closely watched, with Microsoft, Meta, Tesla and Apple reporting this week.



## Financial markets data: Week ending 23 January 2026

INTEREST RATES	CLOSE (%)	1 WEEK (BPS)		YTD (BPS)	
RBA Cash Rate	3.60	0	—	0	—
90-day BBSW	3.81	8	▲	7	▲
3-year Australian Bond Yield	4.26	16	▲	13	▲
10-year Australian Bond Yield	4.82	11	▲	8	▲
20-year Australian Bond Yield	5.27	10	▲	8	▲
10-year Australian Break-Even Inflation	2.36	5	▲	5	▲
10-year Australian Real Yield	2.46	6	▲	3	▲
Fed Funds Rate (lower bound)	3.50	0	—	0	—
2-year US Treasury Yield	3.59	1	▲	12	▲
10-year US Treasury Yield	4.23	0	▲	6	▲
30-year US Treasury Yield	4.83	-1	▼	-2	▼
10-year German Bund Yield	2.91	7	▲	5	▲
<b>NSW TCorp Bonds</b>	<b>Close (%)</b>	<b>1 Week (bps)</b>		<b>YTD (bps)</b>	
4.00% 20 May 2026	3.87	5	▲	-1	▼
3.00% 20 May 2027	4.20	15	▲	9	▲
3.00% 20 March 2028	4.33	14	▲	8	▲
3.00% 20 April 2029	4.44	14	▲	6	▲
3.00% 20 February 2030	4.53	12	▲	5	▲
2.00% 20 March 2031	4.68	11	▲	3	▲
1.50% 20 February 2032	4.82	10	▲	2	▲
2.00% 8 March 2033	4.99	9	▲	2	▲
1.75% 20 March 2034	5.16	9	▲	2	▲
4.75% 20 February 2035	5.21	8	▲	1	▲
4.25% 20 February 2036	5.34	8	▲	0	▲
4.75% 20 February 2037	5.44	7	▲	-2	▼
5.25% 24 February 2038	5.55	8	▲	-1	▼
2.50% 20 November 2035 CIB	2.91	4	▲	3	▲
10-year NSW TCorp Bond Yield	5.30	8	▲	1	▲
10-year TCV (Victoria) Spread	0.06	0	▼	0	▼
10-year QTC (Queensland) Spread	0.06	0	▼	-1	▼
<b>Equities</b>	<b>Close</b>	<b>1 Week</b>		<b>YTD</b>	
S&P/ASX200 (Australia)	8,860	-0.5%	▼	1.7%	▲
S&P500 (US)	6,916	-0.4%	▼	1.0%	▲
FTSE 100 (UK)	10,143	-0.9%	▼	2.1%	▲
DJ Stoxx600 (Europe)	608	-1.0%	▼	2.7%	▲
Nikkei 225 (Japan)	53,847	-0.2%	▼	7.0%	▲
Shanghai Composite (China)	4,136	0.8%	▲	4.2%	▲
<b>Currencies</b>	<b>Close</b>	<b>1 Week</b>		<b>YTD</b>	
AUD/USD	0.689	3.2%	▲	3.3%	▲
EUR/USD	1.183	2.0%	▲	0.7%	▲
USD/JPY	155.70	-1.5%	▼	-0.6%	▼
GBP/USD	1.36	2.0%	▲	1.2%	▲
US\$ Index	97.60	-1.8%	▼	-0.7%	▼
<b>Commodities</b>	<b>Close</b>	<b>1 Week</b>		<b>YTD</b>	
Brent Oil (US\$/bbl)	65.88	2.7%	▲	8.3%	▲
Iron Ore (US\$/t)	105.87	-1.0%	▼	-1.2%	▼
Coking Coal (US\$/t)	149.57	-5.5%	▼	-0.1%	▼
Gold (US\$/oz)	4,987.49	8.5%	▲	15.5%	▲

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