Weekly economic report

31 August 2026

The week that was

- Australian bond yields increased, with 3-year yields rising 9bps and 10-year yields 4bps higher. Minutes from the Reserve Bank of Australia's (RBA's) August meeting signalled the Board's low tolerance for upside inflation surprises. The RBA's hawkish communication – combined with stronger-than-expected inflation and household spending data for July – have encouraged investors to expect another rate hike before the end of this year.
- Short-term US bond yields also rose after Federal Reserve (US Fed) Chair Kevin Warsh voiced a commitment to return inflation back to target. This reassured investors and helped long-term bond yields end the week lower and the US dollar rise against most currencies. The Australian dollar, however, was little changed against the US dollar.
- Oil prices fell 5%, to US$89 per barrel, as investors were encouraged by some positive headlines. Oil prices have traded in a narrow range in recent weeks amid little decisive news from the Middle East.
- The US S&P500 gained 0.5%, supported by some positive earnings reports by large technology companies. The ASX200 rose by 0.4%, with another strong rise in mining stocks.

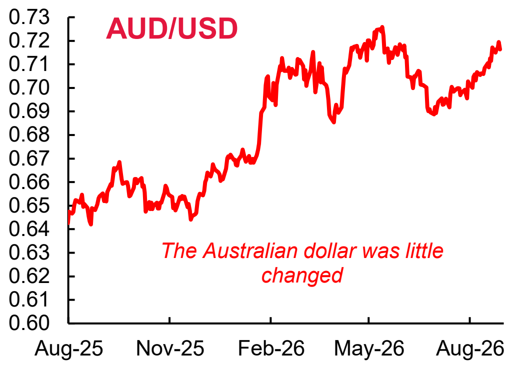
Economic calendar

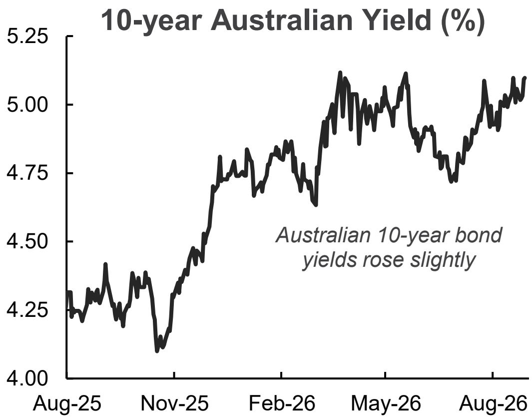
Monday 31/08	
Tuesday 01/09	AU: Balance of payments, Q2; Building approvals, Jul EC: CPI, Aug
Wednesday 02/09	AU: GDP, Q2 US: ISM Manufacturing index, Aug NZ: Reserve Bank policy decision CA: Bank of Canada policy decision
Thursday 03/09	
Friday 04/09	US: Non-farm payrolls, Aug; ISM Services index, Aug

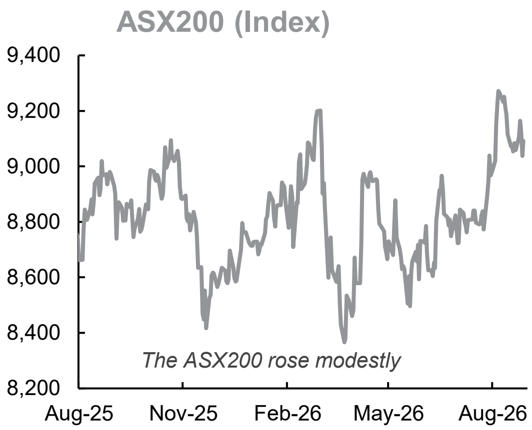
The week ahead

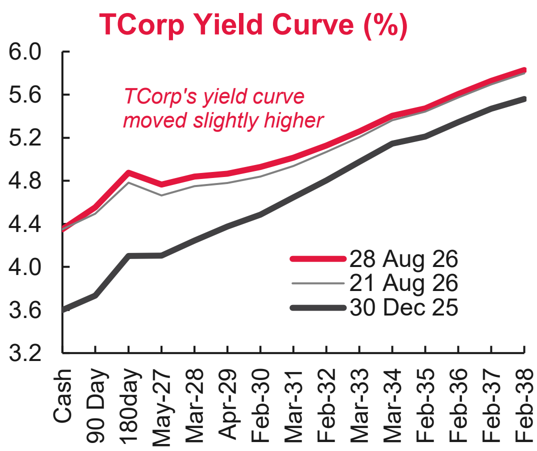
- Australian GDP for the June quarter is the key release, with the economy expected to have grown by 0.3%. Data last week showed investment in data centres and renewable energy projects has grown strongly, but investment in other areas remains weak. Real consumer spending is also sluggish.
- US non-farm payroll and European inflation are the main offshore data releases. The Reserve Bank of New Zealand is expected to raise rates, while the Bank of Canada is not expected to change policy.

Financial markets charts









Financial markets data: Week ending 28 August 2026

Interest Rates	**Close (%)**	**1 Week (bps)**		**YTD (bps)**	
RBA Cash Rate	4.35	0	–	75	▲
90-day BBSW	4.55	6	▲	82	▲
3-year Australian Bond Yield	4.66	9	▲	52	▲
10-year Australian Bond Yield	5.10	4	▲	36	▲
20-year Australian Bond Yield	5.52	3	▲	33	▲
10-year Australian Break-Even Inflation	2.35	-1	▼	4	▲
10-year Australian Real Yield	2.75	5	▲	32	▲
Fed Funds Rate (lower bound)	3.50	0	–	0	–
2-year US Treasury Yield	4.34	11	▲	87	▲
10-year US Treasury Yield	4.72	-2	▼	55	▲
30-year US Treasury Yield	5.21	-7	▼	36	▲
10-year German Bund Yield	3.28	2	▲	42	▲
NSW TCorp Bonds					
3.00% 20 May 2027	4.76	10	▲	66	▲
3.00% 20 March 2028	4.84	9	▲	59	▲
3.00% 20 April 2029	4.87	9	▲	49	▲
3.00% 20 February 2030	4.93	9	▲	44	▲
2.00% 20 March 2031	5.02	8	▲	37	▲
1.50% 20 February 2032	5.13	6	▲	33	▲
2.5% 22 November 2032	5.22	6	▲	32	▲
2.00% 8 March 2033	5.26	5	▲	29	▲
1.75% 20 March 2034	5.40	4	▲	26	▲
5.25% 17 October 2034	5.43	4	▲	--	--
4.75% 20 February 2035	5.47	3	▲	27	▲
4.75% 20 September 2035	5.56	3	▲	28	▲
4.25% 20 February 2036	5.61	3	▲	27	▲
4.75% 20 February 2037	5.66	3	▲	--	▲
3.50% 20 November 2037	5.73	3	▲	27	▲
5.25% 24 February 2038	5.82	3	▲	28	▲
5.25% 22 February 2039	5.83	3	▲	27	▲
2.50% 20 November 2035 CIB	5.92	3	▲	27	▲
10-year NSW TCorp Bond Yield	5.63	3	▲	33	▲
10-year TCV (Victoria) Spread	0.03	1	▲	-3	▼
10-year QTC (Queensland) Spread	0.03	0	▲	-3	▼
Equities	**Close**	**1 Week**		**YTD**	
S&P/ASX200 (Australia)	9,092	0.4%	▲	4.3%	▲
S&P500 (US)	7,712	0.5%	▲	12.7%	▲
FTSE 100 (UK)	10,824	0.1%	▲	9.0%	▲
DJ Stoxx600 (Europe)	655	0.1%	▲	10.6%	▲
Nikkei 225 (Japan)	66,406	0.6%	▲	31.9%	▲
Shanghai Composite (China)	3,952	1.2%	▲	-0.4%	▼
Currencies	**Close**	**1 Week**		**YTD**	
AUD/USD	0.716	-0.1%	▼	7.4%	▲
EUR/USD	1.159	-0.8%	▼	-1.4%	▼
USD/JPY	160.09	0.7%	▲	2.2%	▲
GBP/USD	1.35	-0.8%	▼	0.5%	▲
US$ Index	99.70	0.9%	▲	1.4%	▲
Commodities	**Close**	**1 Week**		**YTD**	
Brent Oil (US$/bbl)	89.31	-5.4%	▼	46.8%	▲
Iron Ore (US$/t)	96.00	0.7%	▲	-10.4%	▼
Coking Coal (US$/t)	256.42	15.3%	▲	71.3%	▲
Gold (US$/oz)	4,455.11	-3.2%	▼	3.1%	▲

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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$119 billion of assets under management and acts as the central borrowing authority of the state, with a balance sheet of A$196 billion. It is rated Aaa (Stable) by Moody's, AAA (Stable) by Fitch, and AA+ (Negative) by S&P.