Weekly economic report

21 September 2026

The week that was

- There was further upward pressure on bond yields last week. Oil prices remain elevated, with escalating attacks on energy infrastructure heightening concerns about energy supply and energy prices. European bond yields also came under pressure amid concerns about France's fiscal situation.
- The US Federal Reserve's (Fed's) unanimous decision to raise rates for the first time since mid-2023 also pushed bond yields higher. Commentary around the decision was seen as hawkish, which investors interpreted as a sign that the Fed would need to raise rates more aggressively to get inflation back to target. This saw 2-year bond yields end the week 12bps higher and 10-year yields rise by 3bps.
- The US dollar rose after the Fed's decision, with the Australian dollar returning to just above 71 US cents.
- The Bank of Japan (BoJ) also raised interest rates, to 1.25%, the highest level in over 30 years. The BoJ is gradually raising interest rates as the economic environment is normalising and inflation is expected to be sustained at the 2% target. Japan's equity market rose following the decision, ending the week 1.6% higher.
- Australian bond yields fell, with 10-year yields ending the week 10bps lower. This is despite investors becoming more confident that the Reserve Bank of Australia (RBA) will raise rates in late September after more hawkish commentary from RBA officials.
- The US S&P500 and ASX200 both ended the week 0.1% lower. European equities fell by 0.6%.

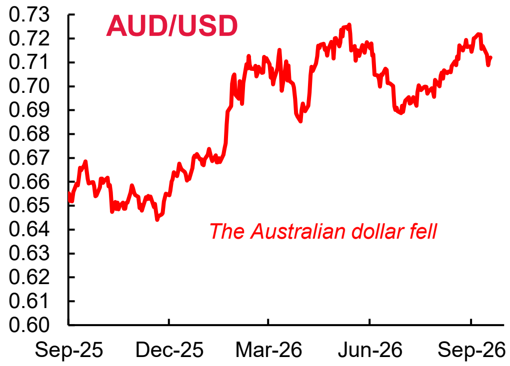
Economic calendar

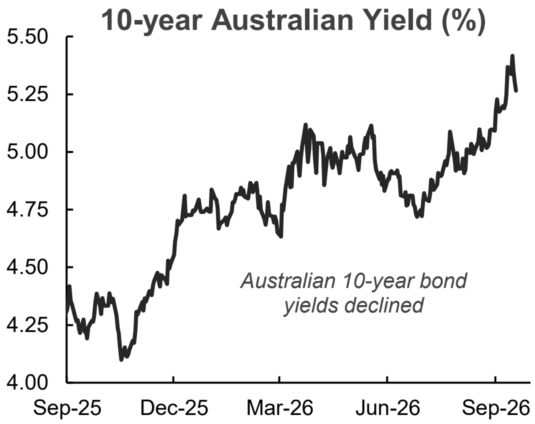
Monday 21/09	
Tuesday 22/09	
Wednesday 23/09	Global: PMIs, Sep
Thursday 24/09	AU: Labour force, Aug
Friday 25/09	

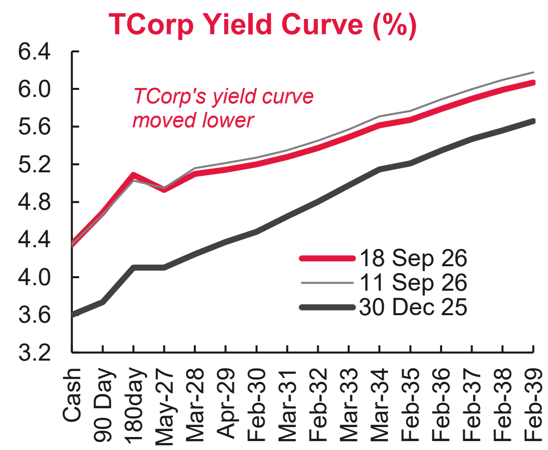
The week ahead

- Australian labour market data for August is the final significant data release before the RBA Board meeting next week. Although the labour market has been gradually cooling, it remains strong and is not expected to prevent a rate hike. There will be more communication from RBA officials and an external RBA board member this week.

Financial markets charts







Financial markets data: Week ending 18 September 2026

	Close (%)	1 Week (bps)		YTD (bps)	
Interest Rates					
RBA Cash Rate	4.35	0	–	75	▲
90-day BBSW	4.69	2	▲	95	▲
3-year Australian Bond Yield	4.93	-7	▼	80	▲
10-year Australian Bond Yield	5.27	-10	▼	53	▲
20-year Australian Bond Yield	5.61	-11	▼	43	▲
10-year Australian Break-Even Inflation	2.39	-3	▼	8	▲
10-year Australian Real Yield	2.88	-7	▼	45	▲
Fed Funds Rate (lower bound)	3.75	25	▲	25	▲
2-year US Treasury Yield	4.74	12	▲	127	▲
10-year US Treasury Yield	5.00	3	▲	83	▲
30-year US Treasury Yield	5.33	-3	▼	48	▲
10-year German Bund Yield	3.52	2	▲	66	▲
NSW TCorp Bonds					
3.00% 20 May 2027	4.93	-2	▼	82	▲
3.00% 20 March 2028	5.10	-6	▼	85	▲
3.00% 20 April 2029	5.14	-7	▼	76	▲
3.00% 20 February 2030	5.20	-7	▼	72	▲
2.00% 20 March 2031	5.28	-7	▼	63	▲
1.50% 20 February 2032	5.37	-8	▼	57	▲
2.5% 22 November 2032	5.46	-8	▼	56	▲
2.00% 8 March 2033	5.49	-8	▼	52	▲
1.75% 20 March 2034	5.61	-10	▼	48	▲
5.25% 17 October 2034	5.63	-10	▼	--	--
4.75% 20 February 2035	5.67	-9	▼	47	▲
4.75% 20 September 2035	5.75	-10	▼	47	▲
4.25% 20 February 2036	5.79	-10	▼	45	▲
5.50% 22 October 2036	5.83	-10	▼	--	▲
4.75% 20 February 2037	5.90	-10	▼	43	▲
3.50% 20 November 2037	5.99	-10	▼	44	▲
5.25% 24 February 2038	5.99	-11	▼	43	▲
5.25% 22 February 2039	6.07	-11	▼	42	▲
2.50% 20 November 2035 CIB	3.23	-8	▼	2	▲
10-year NSW TCorp Bond Yield	5.81	-9	▼	51	▲
10-year TCV (Victoria) Spread	0.04	1	▲	-2	▼
10-year QTC (Queensland) Spread	0.05	0	▼	-2	▼
Equities	**Close**	**1 Week**		**YTD**	
S&P/ASX200 (Australia)	8,731	-0.1%	▼	0.2%	▲
S&P500 (US)	7,651	-0.1%	▼	11.8%	▲
FTSE 100 (UK)	10,659	0.1%	▲	7.3%	▲
DJ Stoxx600 (Europe)	635	-0.6%	▼	7.3%	▲
Nikkei 225 (Japan)	65,019	1.6%	▲	29.2%	▲
Shanghai Composite (China)	3,912	0.6%	▲	-1.4%	▼
Currencies	**Close**	**1 Week**		**YTD**	
AUD/USD	0.712	-0.7%	▼	6.7%	▲
EUR/USD	1.149	-1.0%	▼	-2.2%	▼
USD/JPY	156.88	2.1%	▲	0.1%	▲
GBP/USD	1.34	-1.0%	▼	-0.6%	▼
US$ Index	100.22	1.1%	▲	1.9%	▲
Commodities	**Close**	**1 Week**		**YTD**	
Brent Oil (US$/bbl)	103.87	-0.7%	▼	70.7%	▲
Iron Ore (US$/t)	97.41	0.1%	▲	-9.1%	▼
Coking Coal (US$/t)	227.03	-5.6%	▼	51.7%	▲
Gold (US$/oz)	4,378.63	0.7%	▲	1.4%	▲

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

Emily Perry
Head of Macroeconomic Strategy
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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