Weekly economic report

28 September 2026

The week that was

- Global bond yields rose further as investors think central banks may have to hike rates aggressively to get inflation back to target. This follows rate hikes in the US, Europe, Japan, New Zealand and Norway over the past month and increasingly hawkish commentary by central bankers.
- The ongoing Middle East conflict and elevated energy prices have added to inflationary concerns. US 10-year bond yields rose 16bps, to their highest level since mid-2007. Australian 10-year yields rose by 10bps, their highest level since mid-2011.
- The Australian labour market continued to gradually loosen in August, with the unemployment rate ticking higher to 4.6%. The labour market remains strong enough, however, to present no barrier to a rate hike by the Reserve Bank of Australia (RBA) this week. A rate hike is widely expected given the RBA's more hawkish commentary lately amid the global inflationary backdrop.
- Equity markets were volatile last week, oscillating with swings in risk sentiment and bond yields. Despite the rise in bond yields, equity markets in the US, Europe and Japan managed to end the week higher, boosted by gains in technology stocks. The ASX200 fell by 0.8%, however, and has underperformed other advanced economies in 2026.
- The Australian dollar fell against the US dollar, back to 70 US cents, as interest rate expectations have risen by more in the US.

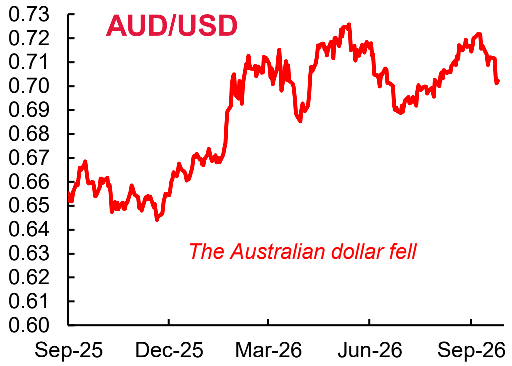
Economic calendar

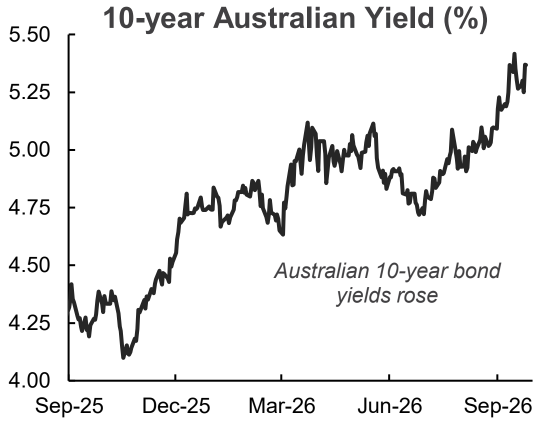
Monday 28/09	
Tuesday 29/09	AU: Reserve Bank of Australia policy decision
Wednesday 30/09	AU: CPI, Aug; Building approvals, Aug, Private sector credit growth, Aug. US: PCE deflator, Aug
Thursday 01/10	US: ISM Manufacturing index, Sep
Friday 02/10	US: Non-farm payrolls, Sep EC: CPI, Sep

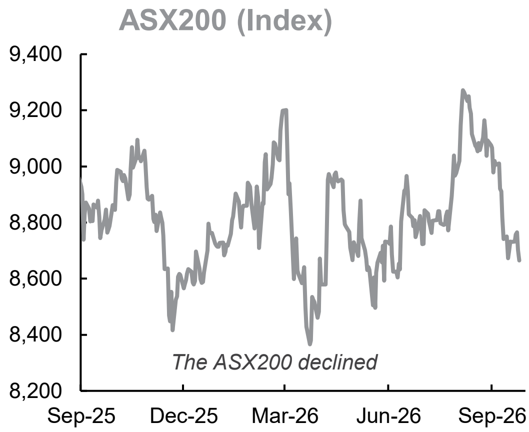
The week ahead

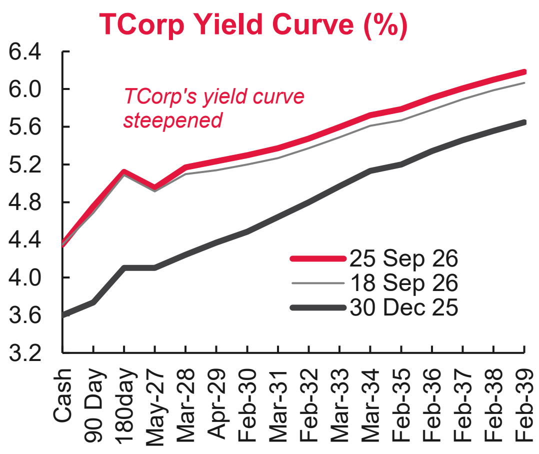
- The RBA is widely expected to raise rates for the fourth time this year, as the RBA has said that upside inflation risks are materialising. August inflation data will be released, while data on house prices, building approvals, and credit growth will show if the housing market has slowed further.
- Inflation data in the US and Europe will be in focus, as well as non-farm payrolls in the US.

Financial markets charts









Financial markets data: Week ending 25 September 2026

	Close (%)	1 Week (bps)		YTD (bps)	
Interest Rates					
RBA Cash Rate	4.35	0	–	75	▲
90-day BBSW	4.76	7	▲	102	▲
3-year Australian Bond Yield	5.01	8	▲	88	▲
10-year Australian Bond Yield	5.37	10	▲	63	▲
20-year Australian Bond Yield	5.68	7	▲	50	▲
10-year Australian Break-Even Inflation	2.42	3	▲	11	▲
10-year Australian Real Yield	2.95	7	▲	52	▲
Fed Funds Rate (lower bound)	3.75	0	–	25	▲
2-year US Treasury Yield	4.85	11	▲	138	▲
10-year US Treasury Yield	5.16	16	▲	99	▲
30-year US Treasury Yield	5.49	17	▲	65	▲
10-year German Bund Yield	3.60	8	▲	75	▲
NSW TCorp Bonds					
3.00% 20 May 2027	4.95	4	▲	85	▲
3.00% 20 March 2028	5.17	7	▲	92	▲
3.00% 20 April 2029	5.23	9	▲	86	▲
3.00% 20 February 2030	5.30	10	▲	81	▲
2.00% 20 March 2031	5.37	10	▲	72	▲
1.50% 20 February 2032	5.47	10	▲	67	▲
2.5% 22 November 2032	5.56	10	▲	65	▲
2.00% 8 March 2033	5.60	11	▲	63	▲
1.75% 20 March 2034	5.72	11	▲	59	▲
5.25% 17 October 2034	5.74	12	▲	--	--
4.75% 20 February 2035	5.79	12	▲	59	▲
4.75% 20 September 2035	5.86	12	▲	60	▲
4.25% 20 February 2036	5.91	12	▲	57	▲
5.50% 22 October 2036	5.95	13	▲	--	▲
4.75% 20 February 2037	6.01	12	▲	55	▲
3.50% 20 November 2037	6.10	12	▲	56	▲
5.25% 24 February 2038	6.10	11	▲	56	▲
5.25% 22 February 2039	6.18	12	▲	54	▲
2.50% 20 November 2035 CIB	3.32	8	▲	10	▲
10-year NSW TCorp Bond Yield	5.93	12	▲	63	▲
10-year TCV (Victoria) Spread	0.05	1	▲	-2	▼
10-year QTC (Queensland) Spread	0.05	0	▼	-2	▼
Equities	**Close**	**1 Week**		**YTD**	
S&P/ASX200 (Australia)	8,665	-0.8%	▼	-0.6%	▼
S&P500 (US)	7,743	1.2%	▲	13.1%	▲
FTSE 100 (UK)	10,695	0.3%	▲	7.7%	▲
DJ Stoxx600 (Europe)	639	0.5%	▲	7.8%	▲
Nikkei 225 (Japan)	66,364	2.1%	▲	31.8%	▲
Shanghai Composite (China)	3,888	-0.6%	▼	-2.0%	▼
Currencies	**Close**	**1 Week**		**YTD**	
AUD/USD	0.702	-1.4%	▼	5.2%	▲
EUR/USD	1.139	-0.8%	▼	-3.0%	▼
USD/JPY	157.28	0.3%	▲	0.4%	▲
GBP/USD	1.32	-1.1%	▼	-1.7%	▼
US$ Index	100.97	0.7%	▲	2.7%	▲
Commodities	**Close**	**1 Week**		**YTD**	
Brent Oil (US$/bbl)	104.32	0.4%	▲	71.4%	▲
Iron Ore (US$/t)	96.75	-0.7%	▼	-9.7%	▼
Coking Coal (US$/t)	215.02	-5.3%	▼	43.7%	▲
Gold (US$/oz)	4,284.81	-2.1%	▼	-0.8%	▼

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