



The week that was

- Oil prices were volatile and ended the week 2.5% higher, at US\$105 per barrel. Ongoing attacks and the concerns about a military escalation have kept energy prices high, including the price of diesel.
- There was a slight reprieve in bond markets last week, with bond yields falling a little in most economies. US 10-year yields fell 4bps, helped by minutes from the Federal Reserve's (Fed's) recent meeting indicating that last month's rate rise is unlikely to be the start of an aggressive hiking cycle. Australian 10-year yields were unchanged.
- 10-year bond yields in France declined by 2bps, after rising sharply over the past month. Investors are concerned about France's fiscal position, which is being exacerbated by political uncertainty.
- The spike in French yields has been difficult for some hedge funds and prompted a recalibration of risk appetite. This involves funds having to sell other bond holdings, including some Australian state-government bonds, which has seen TCorp bond yields rise by more than Australian Government bond yields since the start of October.
- Equity markets were mixed. The US S&P500 gained 1.2%, with most sectors rising. Australia's ASX200 rose by 0.4%, despite weaker bank share prices.
- Australian consumer sentiment fell in October, with households remaining pessimistic. Sentiment of those surveyed after the Reserve Bank of Australia's (RBA's) rate hike was significantly weaker and at its lowest since the early 1990s recession. Households are concerned about their personal finances, which is likely to weigh on consumer spending.

Economic calendar

Monday 12/10	
Tuesday 13/10	AU: RBA Board minutes, Sep; NAB Business survey, Sep
Wednesday 14/10	US: CPI, Sep CH: Inflation, Sep
Thursday 15/10	AU: Labour force, Sep US: Retail sales, Sep; PPI, Sep
Friday 16/10	

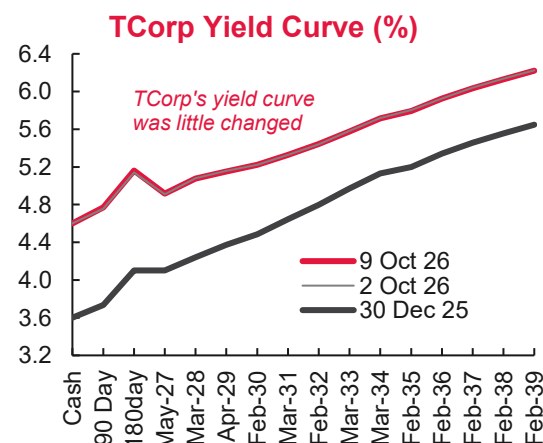
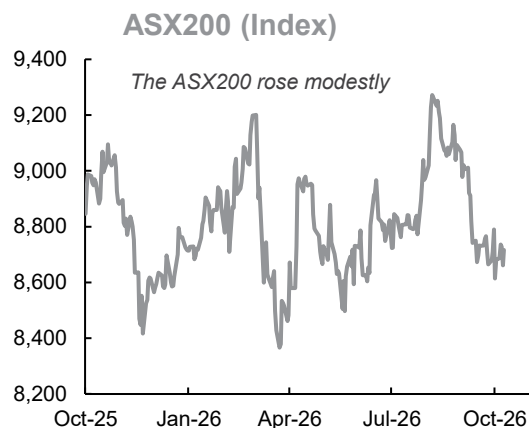
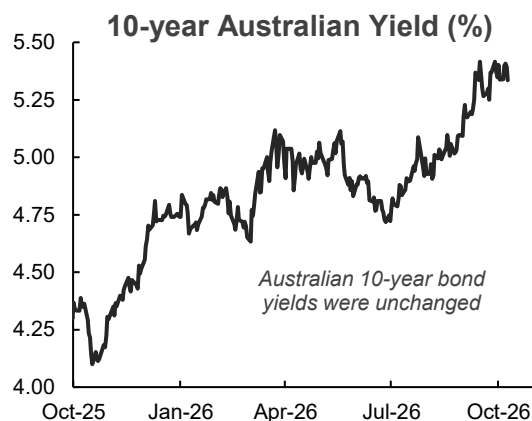
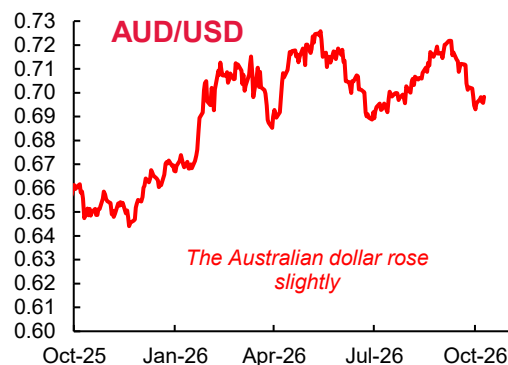
The week ahead

- Australian labour market data is the key local data this week. Minutes from the RBA's meeting will be released, potentially providing more colour on the Board's decision to raise rates again.
- Offshore, US inflation data is the key release.

Weekly economic report

12 October 2026

Financial markets charts



Financial markets data: Week ending 9 October 2026

	Close (%)	1 Week (bps)		YTD (bps)	
Interest Rates					
RBA Cash Rate	4.60	0	—	100	▲
90-day BBSW	4.77	1	▲	103	▲
3-year Australian Bond Yield	4.90	1	▲	76	▲
10-year Australian Bond Yield	5.34	0	▼	59	▲
20-year Australian Bond Yield	5.72	0	▼	53	▲
10-year Australian Break-Even Inflation	2.37	-4	▼	6	▲
10-year Australian Real Yield	2.97	3	▲	54	▲
Fed Funds Rate (lower bound)	3.75	0	—	25	▲
2-year US Treasury Yield	4.79	-4	▼	131	▲
10-year US Treasury Yield	5.24	-3	▼	107	▲
30-year US Treasury Yield	5.60	-2	▼	75	▲
10-year German Bund Yield	3.48	2	▲	63	▲
NSW TCorp Bonds					
3.00% 20 May 2027	4.92	1	▲	81	▲
3.00% 20 March 2028	5.07	0	▼	83	▲
3.00% 20 April 2029	5.15	-1	▼	78	▲
3.00% 20 February 2030	5.22	0	▼	74	▲
2.00% 20 March 2031	5.33	0	▲	68	▲
1.50% 20 February 2032	5.44	0	▲	64	▲
2.5% 22 November 2032	5.53	1	▲	63	▲
2.00% 8 March 2033	5.58	0	▼	61	▲
1.75% 20 March 2034	5.71	0	▼	58	▲
5.25% 17 October 2034	5.74	0	▲	--	--
4.75% 20 February 2035	5.79	-1	▼	60	▲
4.75% 20 September 2035	5.87	-1	▼	61	▲
4.25% 20 February 2036	5.92	0	▼	59	▲
5.50% 22 October 2036	5.97	-1	▼	--	▲
4.75% 20 February 2037	6.04	-1	▼	58	▲
3.50% 20 November 2037	6.13	0	▲	59	▲
5.25% 24 February 2038	6.13	-1	▼	59	▲
5.25% 22 February 2039	6.22	0	▼	58	▲
2.50% 20 November 2035 CIB	3.29	3	▲	8	▲
10-year NSW TCorp Bond Yield	5.94	-2	▼	64	▲
10-year TCV (Victoria) Spread	0.06	0	▲	-1	▼
10-year QTC (Queensland) Spread	0.04	0	▼	-3	▼
Equities					
S&P/ASX200 (Australia)	8,717	0.4%	▲	0.0%	▲
S&P500 (US)	7,812	1.2%	▲	14.1%	▲
FTSE 100 (UK)	10,552	0.9%	▲	6.2%	▲
DJ Stoxx600 (Europe)	632	0.0%	▲	6.6%	▲
Nikkei 225 (Japan)	69,031	1.1%	▲	37.1%	▲
Shanghai Composite (China)	3,814	-0.7%	▼	-3.9%	▼
Currencies					
AUD/USD	0.698	0.4%	▲	4.6%	▲
EUR/USD	1.120	-0.5%	▼	-4.6%	▼
USD/JPY	158.31	0.3%	▲	1.0%	▲
GBP/USD	1.32	-0.1%	▼	-1.8%	▼
US\$ Index	102.21	0.3%	▲	4.0%	▲
Commodities					
Brent Oil (US\$/bbl)	104.72	2.4%	▲	72.1%	▲
Iron Ore (US\$/t)	90.46	-0.8%	▼	-15.6%	▼
Coking Coal (US\$/t)	224.50	8.2%	▲	50.0%	▲
Gold (US\$/oz)	4,194.24	1.3%	▲	-2.9%	▼

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