



# Middle Market Update



Check out our [Wholesale Term Deposit page](#), or give us a call on 1800 209 744 - we are available to assist Monday - Friday 9:00am - 5:00pm AEST.

## Economic Update

### Australia

Australia's economy grew solidly in the second quarter of this year due to strong consumer spending and an improved business environment. According to the Australian Bureau of Statistics on September 5th, GDP grew by 0.9% in the second quarter and by 3.4% year-on-year, the highest rise in annual quarterly figures since Q3 2012.

After Westpac decided to hike mortgage rates by 14 bps at the end of August, CBA and ANZ followed Westpac to lift their home loan interest rates by 15bps and 16bps respectively last week, with both institutions blaming rising international borrowing costs. However, NAB announced yesterday it will keep its variable mortgage rates on hold at 5.24% as a gesture of goodwill, in order to 'rebuild the trust' of customers.

### Offshore

The US labour market report last Friday was better than expected with average hourly earnings growing at 2.9% year-on-year - the quickest pace since May 2009. Headline non-farm payrolls rose 201k and the unemployment rate was steady at 3.9% with underemployment at 7.4%. US yields surged afterwards, as can be seen from the Market Snapshot below, with the US 2-year bond future rose to 2.71%, and the 10-year yield up to 2.93%. All of this is consistent with the expectation that the Fed will have the next hike next week to tighten rates further.

On the US-China trade war, Chinese trade data released on Saturday showed the surplus with the US rose to a new record. President Trump said that he is ready to go on another \$267bn USD in tariffs on China at short notice, in addition to the pending \$200bn USD.

[Read more on our macroeconomics page here.](#)

## Market snapshot

Rates		

Australia	11/09/2018	5/09/2018	Change
RBA Cash Rate	1.50%	1.50%	0.00%
1 Month BBSW	1.84%	1.86%	-0.02%
3 Month BBSW	1.93%	1.95%	-0.02%
6 Month BBSW	2.11%	2.14%	-0.03%
1 Year Swap	1.94%	1.96%	-0.02%
3 Year Bond Futures	2.02%	2.00%	0.02%
10 Year Bond Futures	2.58%	2.54%	0.04%
U.S.	11/09/2018	5/09/2018	Change
2 Year Bond Futures	2.71%	2.65%	0.06%
10 Year Bond Futures	2.93%	2.90%	0.03%
<b>Equities</b>			
ASX 200	6,142	6,293	-151
S&P 500	2,877	2,897	-20
<b>FX</b>			
AUD/USD	0.7114	0.7178	-0.0064
AUD/NZD	1.0905	1.0956	-0.0051
AUD/EUR	0.6134	0.6196	-0.0062
AUD/GBP	0.5462	0.5584	-0.0122
<b>Commodities</b>			
Gold	\$1,195.57	\$1,191.48	\$4.09
Oil	\$67.56	\$69.37	-\$1.81
Iron ore	\$68.37	\$66.61	\$1.76

**Need more information?**

Contact ING Middle Market on 1800 209 744 or email [middlemarket@ing.com.au](mailto:middlemarket@ing.com.au)

To learn more



Visit [ing.com.au](http://ing.com.au)



Call 1300 656 226



---

**Important Information: Disclaimer**

The information contained in this update is current as at the date of this email and is subject to change. You received this email as you provided ING with your email address. However, if you do not wish to receive further email communications from ING please send an email to [middlemarket@ing.com.au](mailto:middlemarket@ing.com.au) with "Unsubscribe" in the subject line or call 1800 209 744.

Any advice in this Middle Markets Update does not take into account your organisation's objectives, financial, tax or accounting circumstances or needs and you should consider whether it is appropriate for the organisation you represent. You should consider the relevant Terms and Conditions and the product's appropriateness when deciding whether to acquire a product.

ING is a business name of ING Bank (Australia) Limited ABN 24 000 893 292 AFSL and Australian Credit Licence 229823  
60 Margaret Street, Sydney, NSW, 2000, AU