Market Analysis and Outlook: March 19 – March 26, 2021

**Global Economy**

The Bank of England voted unanimously to keep its exchange rate policy on hold to support output and inflation, and to leave its bond-buying programme unchanged. The decision came during its monthly meeting, which is held on March 16. In addition, the Bank of England also decided to keep the interest rate at 0.1%.

**RatioWatch**

The RBA has decided to keep the cash rate at 0.1% and the three-year yield at 0.75%.

**Currency (Aussie)**

The Aussie has been rangebound around the 0.71 level for the past few weeks, with the focus being on the RBA meeting minutes and the BoE meeting minutes.

**Bond Market**

Yields on 10-year Australian government bonds were little changed, with the yield at 0.1%.

**Stock Market**

The S&P/ASX 200 was up 0.5% on the week, with the focus being on the upcoming earnings season and the prospect of further stimulus measures.

**Commodity Market**

Oil prices have been rangebound around the $65-$70 level, with the focus being on the OPEC+ meeting and the prospect of further stimulus measures.

**Foreign Exchange**

The Australian dollar has been rangebound around the 0.71 level, with the focus being on the RBA meeting minutes and the BoE meeting minutes.

**Domestic Economy**

The latest unemployment rate for Australia was 5.1%, which is lower than the expected 5.2%.

**Credit/Capital**

The latest credit growth rate for Australia was 7.5%, which is lower than the expected 8.0%.

**Inflation**

The latest inflation rate for Australia was 0.6%, which is lower than the expected 0.7%.

**GDP Growth**

The latest GDP growth rate for Australia was 2.3%, which is lower than the expected 2.5%.

**Unemployment Rate**

The latest unemployment rate for Australia was 5.1%, which is lower than the expected 5.2%.

**New Home Sales**

The latest new home sales for Australia were 35,000 units, which is lower than the expected 37,000 units.

**Business Sentiment**

The latest business sentiment for Australia was 75, which is lower than the expected 80.

**Consumer Sentiment**

The latest consumer sentiment for Australia was 105, which is lower than the expected 110.

**Investment**

The latest investment growth rate for Australia was 3.2%, which is lower than the expected 3.5%.

**Trade**

The latest trade balance for Australia was 8,000 million, which is lower than the expected 10,000 million.

**Money Market**

The latest money market rate for Australia was 0.1%, which is lower than the expected 0.2%.

**Interest Rates**

The latest interest rate for Australia was 0.1%, which is lower than the expected 0.2%.

**Credit Growth**

The latest credit growth rate for Australia was 8.0%, which is lower than the expected 8.5%.

**House Prices**

The latest house price growth rate for Australia was 2.5%, which is lower than the expected 3.0%.

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**Overview**

The global economy is performing well, with the S&P/ASX 200 up 0.5% for the week and the US dollar down 0.3%.

**Prognosis**

The S&P/ASX 200 is expected to continue to perform well, with the focus being on the upcoming earnings season and the prospect of further stimulus measures.

**Conclusion**

The S&P/ASX 200 is expected to continue to perform well, with the focus being on the upcoming earnings season and the prospect of further stimulus measures.