The Australian Economy and Financial Markets

Chart Pack | August 2020
The Australian Economy and Financial Markets

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World Economy

GDP Growth – World
Year-ended

GDP Growth – China and India
Year-ended

GDP Growth – Advanced Economies
Year-ended

GDP Growth – East Asia
Year-ended

* Weighted using Australian export shares
** PPP-weighted; accounts for 85 per cent of world GDP
Sources: ABS; CEIC Data; IMF; RBA; Refinitiv

Sources: CEIC Data; RBA
**Inflation – Advanced Economies**

*Personal consumption expenditure (PCE) inflation for the US; Japan data excludes the effects of the consumption tax increase in April 2014*

Sources: RBA; Refinitiv

**Labour Markets – Advanced Economies**

*Average hourly earnings for the US; compensation per employee for the euro area; smoothed full-time base wages for Japan*

Sources: ECB; Eurostat; RBA; Refinitiv

**Inflation – East Asia**

Sources: CEIC Data; RBA

**Inflation – China and India**

Sources: Bloomberg, CEIC Data
Australian Growth

GDP Growth

Contributions to GDP Growth

Mining and Non-mining Activity

State Final Demand

* Net of mining-related imports; components are contributions to year-ended mining activity growth; contribution from changes in inventories not shown

Sources: ABS; RBA
Australian Inflation

**Consumer Price Inflation**

<table>
<thead>
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<th>Year-ended</th>
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<tbody>
<tr>
<td>%</td>
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<tr>
<td>2015</td>
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<tr>
<td>2016</td>
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<td>2017</td>
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<td>2018</td>
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<tr>
<td>2019</td>
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<tr>
<td>2020</td>
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* Excludes interest charges prior to the September quarter 1998; adjusted for the tax changes of 1999–2000
Sources: ABS; RBA

**Measures of Underlying Inflation**

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<th>Year-ended</th>
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<tbody>
<tr>
<td>%</td>
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<td>2019</td>
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<tr>
<td>2020</td>
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</tbody>
</table>

* Excludes interest charges prior to September 1998 and deposit & loan facilities prior to September 2011; adjusted for 1999–2000 tax changes
Sources: ABS; RBA

** Tradable and Non-tradable Inflation**

<table>
<thead>
<tr>
<th>Year-ended</th>
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<tr>
<td>%</td>
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<td>2015</td>
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<td>2018</td>
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<tr>
<td>2019</td>
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<tr>
<td>2020</td>
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</tbody>
</table>

* Adjusted for the tax changes of 1999–2000
** Excludes interest charges and indirect deposit & loan facilities
Sources: ABS; RBA
Household Sector

**Household Income and Consumption***

Real, year-ended growth

- **Consumption**
- **Disposable income**
- **Saving ratio**

* Household sector includes unincorporated enterprises; disposable income is after tax and interest payments; saving ratio is net of depreciation

Sources: ABS; RBA

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**Private Dwelling Investment***

Chain volume, quarterly

* Reference year is 2017/18

Source: ABS

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**Consumer Sentiment***

Average since 1980 = 100

* Average of the ANZ-Roy Morgan and Westpac-Melbourne Institute consumer sentiment measure of respondents’ perceptions of their personal finances relative to the previous year; ANZ-Roy Morgan index rescaled to have the same average as the Westpac-Melbourne Institute index since 1996

Sources: ANZ-Roy Morgan; RBA; Westpac and Melbourne Institute

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**Private Residential Building Approvals***

Monthly

Source: ABS
Factors of Production and Labour Market

**Factors of Production**

Annual growth

- Net capital stock*
- Working-age population

* Excluding livestock & orchards, dwellings and ownership transfer costs

Sources: ABS; RBA

**Wage Price Index Growth**

- Year-ended
- Quarterly

* Total pay excluding bonuses

Source: ABS

**Capital Ratios**

1979/80 = 100

- Capital-labour ratio
- Capital-output ratio

* Capital stock excludes livestock & orchards, dwellings and ownership transfer costs

Sources: ABS; RBA

**Unit Labour Costs Growth**

Non-farm, year-ended

- Unit labour costs
- Average earnings per hour
- Labour productivity per hour

Sources: ABS; RBA
Regions and Industry

**State Share of Output**
Nominal

- New South Wales
- Victoria
- Queensland
- Western Australia
- South Australia
- Tasmania

Source: ABS

**State Unemployment Rates***
Seasonally adjusted

- New South Wales
- South Australia
- Victoria
- Tasmania
- Queensland
- Western Australia

* The trend series have been suspended from April 2020, until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period

Source: ABS

**Industry Share of Output***

- Manufacturing
- Retail and wholesale trade
- Financial and insurance services
- Construction
- Mining
- Agriculture
- Other business services**

* Nominal gross value added
** Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services

Source: ABS

**Employment Growth by Industry**
Cumulative change since March 2013

- Household services
- Public administration
- Business services
- Construction
- Mining
- Manufacturing
- Retail and wholesale trade
- Other*

* Includes agriculture, forestry & fishing; transport, postal & warehousing; and electricity, gas, water & waste services

Source: ABS
Commodity Prices

**RBA Index of Commodity Prices**
SDR, 2018/19 average = 100, log scale

**Base Metals, Rural and Oil Prices**
Monthly

**Bulk Commodity Prices**
Free on board basis

**Terms of Trade**
2017/18 average = 100, log scale

* Iron ore 62% Fe Fines Index; Newcastle thermal coal and premium hard coking coal
Sources: ABS; Bloomberg; IHS Markit; RBA

* RBA Index of Commodity Prices sub-indices; SDR terms; 2007 average = 100
Sources: Bloomberg; RBA

* Annual data are used prior to 1960
Sources: ABS; RBA
**US Corporate Bond Yields**

- BBB corporates*
- AA corporates*
- Five-year swap

* Includes financials and non-financials

Sources: Bloomberg; ICE Data is used with permission

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**Chinese Corporate Bond Yields**

- Low-rated*
- High-rated**

* Based on AA- domestically rated bond
** Based on AAA domestically rated bond

Source: CEIC Data

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**US Corporate Bond Spreads**

To US government bonds

- BBB corporates*
- AA corporates*
- Five-year swap

* Includes financials and non-financials

Sources: Bloomberg; ICE Data is used with permission

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**Emerging Market Bond Yields**

US dollar-denominated, blended yield

- Europe
- Latin America
- Asia

Sources: Bloomberg; RBA; Refinitiv
Share Markets

**Share Price Accumulation Indices**
Log scale, end December 1994 = 100

**Advanced Economies’ Share Price Indices**
Log scale, end December 1994 = 100

**Australian Share Price Indices**
Log scale, end December 2014 = 100

**Emerging Markets’ Share Price Indices**
Log scale, end December 1994 = 100

Sources: RBA; Refinitiv

Sources: Bloomberg; RBA

Sources: Bloomberg; RBA; Refinitiv

Sources: Bloomberg; MSCI; RBA

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* ASX 200 companies

* MSCI indices; Shanghai Composite Index for China
Bond Issuance

Bonds on Issue in Australia

Total Non-government Bonds on Issue

Non-government Bond Issuance

Non-government Bonds on Issue in Australia

* Excludes bonds purchased by the Australian Government
** Excludes ADIs’ self-securnisations, includes government-guaranteed bonds
Sources: ABS; AOFM; Bloomberg; KangaNews; Private Placement Monitor; RBA; State Treasury Corporations

* Australian dollar-denominated bonds only
Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

* Excludes ADIs’ self-securnisations
** Offshore non-resident issuance includes Australian dollar-denominated bonds only
Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA
**US and Euro Area Corporate Bond Issuance***

**Gross issuance**

- **US**
  - Financials
  - Non-financials

- **Euro area

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**Emerging Market Corporate Bond Issuance***

**Gross issuance**

- **China**
  - Foreign currency-denominated
  - Local currency-denominated

- **Other

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* September quarter-to-date
Sources: Dealogic; RBA
Exchange Rates

**Australian Dollar Trade-weighted Index***

- * May 1970 = 100 for nominal; real indexed to equate post-float averages; latest observations for real TWI are estimates
- Sources: ABS; RBA; Refinitiv; WM/Reuters

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**Official Reserve Assets***

- * The reporting methodology for official reserve asset data changes in 2015
- ** Excludes net forward foreign currency commitments
- *** Data up to 30 June 2019: a positive value indicates a purchase of foreign exchange, while a negative value indicates a sale of foreign exchange
- Source: RBA

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**Australian Dollar**

- * ECU per A$ until 31 December 1998
- Source: Bloomberg

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**US Dollar**

- * US$ per ECU until 31 December 1998
- Sources: Bloomberg, Eurostat
Banking Indicators

**Australian Bank Profitability***
Return on shareholders’ equity after tax and minority interests

* Fiscal years from 2003 onwards; prior data are as reported in banks’ financial statements
Sources: APRA; Banks’ annual reports; RBA

**Major Banks’ Net Interest Margin***
Domestic, half-yearly

* Data for a given period relate to banks’ public profit reports released in that half; IFRS basis from 2006, AGAAP prior; excludes St George Bank and Bankwest prior to the first half of 2009
Sources: Banks’ financial reports; RBA