The Australian Economy and Financial Markets

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GDP Growth – World

GDP Growth – China and India

GDP Growth – Advanced Economies

GDP Growth – East Asia

* 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

Source: Refinitiv

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

Year-ended

- **US**
- **Euro area**
- **Japan**

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

Sources: RBA; Refinitiv

**Inflation – China and India**

Year-ended

- **India**
- **China**

Source: CEIC Data

**Labour Markets – Advanced Economies**

Unemployment rate

- **Euro area**
- **US**

Wages growth*

Year-ended

- **Japan**

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

Sources: CEIC Data; RBA; Refinitiv

**Inflation – East Asia**

Year-ended

- **Indonesia**
- **Malaysia**
- **South Korea**

Sources: CEIC Data; RBA; Refinitiv
China – Activity Indicators

Year-ended growth

- Manufacturing PMI*
- Industrial production
- Fixed asset investment
- Real retail sales

* Diffusion index; average of the official and Caixin

Sources: CEIC Data; Markit Economics; RBA

China – Residential Property Indicators

Year-ended growth

- New property prices
- Investment**
- Land purchases
- Other investment***
- Floor space sold
- Inventory

* China Index Academy
** Contributions of residential and non-residential investment
*** Construction, installation, equipment purchases and other

Sources: CEIC Data; CIA; CRIC; RBA

China – Total Social Financing Growth

Year-ended with contributions

- Household loans
- Business financing*
- Government bonds**

* Sum of business loans, securities financing and off-balance sheet financing
** Net government bond issuance includes local government bond issuance to pay off debt previously classified as business financing, and uses RBA estimates prior to 2016

Sources: CEIC Data; RBA

China – Gross Output of Selected Products*

2006 average = 100

- Electricity generation
- Steel products
- Plate glass
- Cement
- Crude steel

* Seasonally adjusted by the RBA

Sources: CEIC Data; RBA
GDP Growth

Source: ABS

Contribution to GDP Growth

Year-ended

Sources: ABS; RBA

Mining and Non-mining Activity

Year-ended growth, RBA estimates

Mining*

Resource exports

Non-mining

Sources: ABS; RBA

State Final Demand

Year-ended growth

Sources: ABS; RBA

**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***

Year-ended

Quarterly (seasonally adjusted)

* Excludes interest charges prior to the September quarter 1998; adjusted for the tax changes of 1999–2000

Sources: ABS; RBA

**Measures of Underlying Inflation***

Year-ended

Weighted median

Trimmed mean

CPI excl volatile items

* 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***

Year-ended

Quarterly (seasonally adjusted)

% ** Non-tradables**

% ** Tradables excl volatiles**

* Adjusted for the tax changes of 1999–2000

** Excludes interest charges and indirect deposit & loan facilities

Sources: ABS; RBA
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

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

Private Dwelling Investment*

Chain volume, quarterly

* Reference year is 2019/20

Source: ABS

Private Residential Building Approvals

Monthly

* Reference year is 2019/20

Source: ABS
Housing Prices and Household Debt*

**Ratio to household disposable income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Housing prices</th>
<th>Household debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>2.0</td>
<td>0.5</td>
</tr>
<tr>
<td>2001</td>
<td>3.0</td>
<td>1.0</td>
</tr>
<tr>
<td>2006</td>
<td>4.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2021</td>
<td>5.0</td>
<td>2.0</td>
</tr>
</tbody>
</table>

* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

Sources: ABS; CoreLogic; RBA

Household Wealth and Liabilities*

**Per cent of annual household disposable income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Net wealth</th>
<th>Dwellings</th>
<th>Financial assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>0.0</td>
<td>200</td>
<td>400</td>
<td>600</td>
</tr>
<tr>
<td>2001</td>
<td>200</td>
<td>400</td>
<td>600</td>
<td>800</td>
</tr>
<tr>
<td>2006</td>
<td>400</td>
<td>600</td>
<td>800</td>
<td>1000</td>
</tr>
<tr>
<td>2021</td>
<td>600</td>
<td>800</td>
<td>1000</td>
<td>1200</td>
</tr>
</tbody>
</table>

* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

Sources: ABS; RBA

Housing Prices

**Year-ended growth, seasonally adjusted**

<table>
<thead>
<tr>
<th>Year</th>
<th>ABS*</th>
<th>APM***</th>
<th>Residex*</th>
<th>CoreLogic**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>10</td>
<td>15</td>
<td>5</td>
<td>-10</td>
</tr>
<tr>
<td>2012</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>-5</td>
</tr>
<tr>
<td>2015</td>
<td>5</td>
<td>10</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>2018</td>
<td>-5</td>
<td>-10</td>
<td>-5</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* ABS is a quarterly stratified median price index; Residex is a quarterly repeat sales price index.
** Monthly hedonic price index; non-seasonally adjusted
*** Quarterly stratified median price index

Sources: ABS; APM; CoreLogic; RBA

Housing Loan Commitments*

**Excluding refinancing**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Owner-occupier</th>
<th>Investor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>5</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>2009</td>
<td>10</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>2013</td>
<td>15</td>
<td>25</td>
<td>15</td>
</tr>
<tr>
<td>2017</td>
<td>20</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>2021</td>
<td>30</td>
<td>35</td>
<td>30</td>
</tr>
</tbody>
</table>

* Seasonally adjusted

Sources: ABS; RBA
Business Sector

**Business Investment**

**Share of nominal GDP**

- Adjusted for second-hand asset transfers between the private and other sectors
- Source: ABS

**Capital Expenditure – Mining and Non-mining**

**Nominal, log scale**

- Dots are firms’ expectations for 2021/22; adjusted for historical differences between expected and realised spending
- Sources: ABS; RBA

**Business Investment Components**

**Share of nominal GDP**

- Adjusted for second-hand asset transfers between the private and other sectors
- Source: ABS

**Industry Share of Business Investment**

- Nominal; includes second hand asset transfers
- Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services
- Source: ABS
Business Lending Rates
Average interest rate on credit outstanding

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Medium</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Large</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

* Small business loans secured by residential property can have fixed or variable interest rate terms and are included in the fixed-rate and variable-rate lines.

Sources: APRA; RBA

Lending to Businesses
Not seasonally adjusted, break-adjusted

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>600</td>
<td>450</td>
</tr>
<tr>
<td>Medium</td>
<td>300</td>
<td>150</td>
</tr>
<tr>
<td>Large</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

* Highly affected industries had the highest share of businesses report a fall in revenue of greater than 50 per cent in a June 2020 ABS survey; less affected industries are the top four by value of SME lending

** Wholesale finance, acquisitions and general business purposes

*** Other services includes a broad range of personal services, selected repair and maintenance activities and households employing staff

Sources: APRA; RBA
Factors of Production

**Annual growth**

- **Net capital stock**: 3.5%
- **Working-age population**: 2.0%

*Excluding livestock & orchards, dwellings and ownership transfer costs

Sources: ABS, RBA

**Wage Price Index Growth**

*Year-ended*

Sources: ABS

**Unit Labour Costs Growth**

*Non-farm, year-ended*

Sources: ABS, RBA
Employment and Participation Rates

- Participation rate
- Employment to working-age population ratio

Source: ABS

Employment and Hours Worked*

- Employment
- Total hours worked
- Average hours worked

2008 average = 100

* Seasonally adjusted
Sources: ABS; RBA

Labour Underutilisation Rates

- Heads-based
- Underemployment rate*
- Unemployment rate

* Full-time workers on reduced hours for economic reasons and part-time workers who would like, and are available, to work more hours
Source: ABS

Job Vacancies and Advertisements

- Advertisements (NSC)
- Vacancies* (ABS survey)
- Advertisements (ANZ survey)

* This survey was suspended between May 2008 and November 2009
Sources: ABS; ANZ; National Skills Commission (NSC); RBA
**State Share of Output**

- **Nominal**

<table>
<thead>
<tr>
<th>%</th>
<th>90/91</th>
<th>95/96</th>
<th>00/01</th>
<th>05/06</th>
<th>10/11</th>
<th>15/16</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>35</td>
<td>35</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Victoria</td>
<td>25</td>
<td>25</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Queensland</td>
<td>20</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Western Australia</td>
<td>15</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>South Australia</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tasmania</td>
<td>5</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Source: ABS*

---

**State Unemployment Rates***

- **Seasonally adjusted**

<table>
<thead>
<tr>
<th>%</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>South Australia</td>
<td>7</td>
<td>9</td>
<td>10</td>
<td>12</td>
<td>11</td>
</tr>
<tr>
<td>Victoria</td>
<td>6</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Tasmania</td>
<td>5</td>
<td>7</td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>New South Wales</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

*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***

- **Nominal gross value added**

<table>
<thead>
<tr>
<th>%</th>
<th>90/91</th>
<th>95/96</th>
<th>00/01</th>
<th>05/06</th>
<th>10/11</th>
<th>15/16</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>14</td>
<td>14</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Retail and wholesale trade</td>
<td>10</td>
<td>10</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Financial and insurance services</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Construction</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Mining</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Agriculture</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Other business services**</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

*Source: ABS*

---

**Employment Growth by Industry***

- **Cumulative change since March 2013**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Household services</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Business services</td>
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<td>0</td>
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<td>Public administration</td>
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<tr>
<td>Other**</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Retail and wholesale trade</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Mining</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

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

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

*Source: ABS*
Commodity Prices

RBA Index of Commodity Prices
SDR, 2019/20 average = 100, log scale

Source: RBA

Oil and LNG Prices
Monthly

Source: Bloomberg; RBA; Refinitiv

Bulk Commodity Prices
Free on board basis

Sources: ABS; Bloomberg; IHS Markit; RBA

Terms of Trade*
2019/20 average = 100, log scale

Sources: ABS; RBA

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* Iron ore 62% Fe Fines Index; Newcastle thermal coal and premium hard coking coal

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Terms of Trade*

* Annual data are used prior to 1960

Sources: ABS, RBA

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Iron ore (LHS) | Thermal coal (LHS) | Coking coal (RHS)

Average Australian export price | Spot price*

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American Dollar (US$/t)
Central Bank Balance Sheets and Bond Purchases

RBA Assets

Financial year

0 100 200 300 400 500 600

Weekly

14/15 16/17 18/19 20/21 J A S O N 2021

Open repo & other assets
Domestic bonds
OMO repo
Gold & foreign exchange
Term Funding Facility

Source: RBA

RBA Liabilities

Financial year

0 100 200 300 400 500 600

Weekly

14/15 16/17 18/19 20/21 J A S O N 2021

Capital & Reserve Bank Reserve Fund
Government & other deposits
Banknotes
Other liabilities
Exchange Settlement balances

Source: RBA

Central Bank Total Assets

Per cent of GDP

% 125 100 75 50 25 0

Japan
Sweden
Euro area
Australia
US
Canada

Sources: Central banks; RBA, Refinitiv

Central Bank Government Bond Holdings

Per cent of eligible stock outstanding*

% 50 40 30 20 10 0

Japan
UK
Sweden
NZ
Euro area**
US
Canada
Australia

Sources: Central banks, debt management offices; RBA, Refinitiv

* Data include nominal and inflation-linked bonds issued by central governments that are eligible for purchase in the secondary market under central bank government bond purchase programs for Australia, this is nominal Australian government Securities only; data for euro area also include eligible bonds issued by local and regional governments.

** Holdings data for euro area only include bonds held as part of asset purchase programs; holdings data for other central banks also include bonds held for operational or liquidity purposes.

Sources: Central banks, debt management offices; RBA, Refinitiv
**Australian Cash Rate Target**

- Chart showing the Australian cash rate target from 1996 to 2021.
- Source: RBA

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**Policy Interest Rates**

- Chart showing policy interest rates for selected advanced economies.
- Source: Central banks

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**Australian Cash Rate and 90-day Bill Yield**

- Chart showing the Australian cash rate and 90-day bill yield from 1996 to 2021.
- Source: ABS; AFMA; ASX; RBA

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**Policy Interest Rates – Selected Advanced Economies**

- Chart showing policy interest rates for selected advanced economies.
- Source: Central banks

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*Main refinancing rate until the introduction of 3-year LTROs in December 2011; deposit facility rate thereafter.
*Calculated using average of year-ended weighted median inflation and year-ended trimmed mean inflation.

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**Interest Rates**

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**Chart Pack | December 2021**
Monetary Policy – China

Interest rates

- One-year MLF*
- One-year benchmark lending
- Seven-day repo (monthly average)

Reserve requirement ratios

- Large institutions
- Medium institutions
- Small institutions

Sources: CEIC Data; RBA

10-year Australian Government Bond Yield

- Sources: RBA; Yieldbroker

Policy Interest Rates – Emerging Markets

Interest rates

- Indonesia*
- Brazil
- Russia*
- India
- Philippines
- Malaysia
- South Africa
- Mexico

10-year Government Bond Yields

- US
- Germany
- China
- Japan

Sources: CEIC Data; Refinitiv

* Medium-term lending facility
* Breaks in series indicate changes in the official policy rates for Russia (September 2013) and Indonesia (August 2016)

Source: Central banks
Spread between Australian 10-year Bond Yield and the Cash Rate Target

Australian Non-financial Corporate Bond Yields

Differential between Australian and US 10-year Government Bond Yields

Australian Non-financial Corporate Bond Spreads

Sources: Bloomberg; RBA; Refinitiv; Yieldbroker

Sources: Bloomberg; RBA
**US Corporate Bond Yields**

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

* Includes financials and non-financials
Source: ICE Data is used with permission

**Chinese Corporate Bond Yields**

- **Low-rated***
- **High-rated***

* Based on AA- domestically rated bond
** Based on AAA domestically rated bond
Source: CEIC Data

**US Corporate Bond Spreads**

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

* Includes financials and non-financials
Sources: Bloomberg; ICE Data is used with permission

**Emerging Market Government Bond Yields***

- **Europe***
- **Latin America***

* Based on AA- domestically rated bond
** Based on AAA domestically rated bond
Source: J.P. Morgan
### Variable Housing Interest Rates

- **Major banks’ reference rates**
- **Outstanding loans***
- **New loans***

* Series break in July 2019; thereafter, data based on EFS collection

Sources: APRA; banks’ websites; CANSTAR; RBA; Securitisation System

### Fixed Housing Interest Rates

- **3-year maturity**
- **Swap rate**
- **Advertised***

* Available to owner-occupiers

Sources: Banks’ websites; CANSTAR; RBA; Refinitiv

### Housing Interest Rates*

- **Outstanding loans**
  - **Owner-occupier**
  - **Investor**
  - **Interest-only**
  - **Principal-and-interest**

* Average of variable-rate securitised loans to 2019; thereafter, average of fixed and variable-rate loans, based on EFS data

Sources: APRA; RBA; Securitisation System

### Australian Business Lending Rates*

- **Average interest rate on credit outstanding**
  - **Small loans**
  - **Small business (EFS)**
  - **Large loans**
  - **Medium business (EFS)**
  - **Large business (EFS)**

* Small loans are loans less than $2 million; large loans are loans $2 million or more; new series from July 2019 are from the Economic and Financial Statistics (EFS) collection (see Statistical Table F7)

Sources: APRA; RBA
Share Markets

**Share Price Accumulation Indices**

Log scale, end December 1994 = 100

- ASX 200
- S&P 500
- MSCI world

Sources: Bloomberg; RBA

**Advanced Economies’ Share Price Indices**

Log scale, end December 1994 = 100

- Japan
- Euro area
- US
- UK

Sources: Bloomberg; RBA

**Emerging Markets’ Share Price Indices**

Log scale, end December 1994 = 100

- Emerging Europe
- Latin America
- China
- World
- Emerging Asia

*MSCI indices; Shanghai Composite Index for China

Sources: Bloomberg; MSCI; RBA
Bond Issuance

**Bonds on Issue in Australia**

- **Non-government**
- **Australian government**
- **State governments**

* Excludes bonds purchased by the Australian Government
** Excludes ADIs’ self-securitisations, includes government-guaranteed bonds

Sources: ABS; AOFM; Bloomberg; KangaNews; Private Placement Monitor; RBA; State Treasury Corporations

**Total Non-government Bonds on Issue**

- **Financials**
- **Non-financial corporations**
- **Non-residents**
- **Asset-backed securities**

* Australian dollar-denominated bonds only

Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

**Non-government Bond Issuance**

- **Domestic issuers**
- **Non-resident issuers**

* Excludes ADIs’ self-securitisations
** Offshore non-resident issuance includes Australian dollar-denominated bonds only

Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA

**Non-government Bonds on Issue in Australia**

- **Financials**
- **Asset-backed securities**
- **Non-residents**
- **Non-financial corporations**

* Excludes ADIs’ self-securitisations

Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

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**US and Euro Area Corporate Bond Issuance**

- **Gross issuance**
- US
  - Financials
  - Non-financials
- Euro area

*December 2021 is quarter-to-date*

Sources: Dealogic; RBA

**Emerging Market Corporate Bond Issuance**

- **Gross issuance**
- China
  - Foreign currency-denominated
  - Local currency-denominated
- Other

*December 2021 is quarter-to-date*

Sources: Dealogic; RBA
**Exchange Rates**

**Australian Dollar Trade-weighted Index**

- Nominal
- Real

*May 1970 = 100 for nominal; real indexed to equate post-float averages; latest observations for real TAI are estimates.*

Sources: ABS; RBA; Refinitiv; WMI/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**

- Yen per AS (LHS)
- US$ per AS (RHS)
- Euro per AS (RHS)

*ECU per AS until 31 December 1998*

Source: Bloomberg

---

**US Dollar**

- Yen per US$ (LHS)
- US$ per euro (RHS, inverted scale)

*US$ per ECU until 31 December 1998*

Sources: Bloomberg; Eurostat
Selected Asian Currencies against the US Dollar

31 January 2000 = 100

Index


Source: Bloomberg

G3 Nominal Trade-weighted Indices

1999–2020 average = 100

Index


Sources: BIS; Bloomberg; Board of Governors of the Federal Reserve System

Chinese Renminbi

Nominal effective exchange rate*

(LHS, 2010 average = 100)

31 January 2000 = 100

Index


Yuan per US$

(RHS, monthly average, inverted scale)

Sources: BIS; Refinitiv

Chinese Yuan/

US dollar

Japanese yen

Euro

* Monthly average nominal rate calculated using BIS EER weights

Sources: BIS; Refinitiv

EXCHANGE RATES

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**Australian Bank Profitability**

Return on shareholders’ equity after tax and minority interests

- Majors
- Other Australian-owned banks

* Fiscal years from 2003 onwards; prior data are as reported in banks’ financial statements

Sources: APRA; Banks’ annual reports; RBA

**Australian Bank Profits**

Net profit after tax

- Major banks
- Other Australian-owned banks
- Foreign-owned banks

Sources: APRA; RBA

**Major Banks’ Net Interest Margin**

Domestic, half-yearly

- Majors

* 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
**Banks’ Non-performing Assets**

### Domestic books

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Business</th>
<th>Personal</th>
<th>Housing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>1.0%</td>
<td>57%</td>
<td>3%</td>
<td>41%</td>
</tr>
<tr>
<td>2014</td>
<td>2.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>3.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Includes lending to financial businesses, bills, short-term and long-term debt securities and other non-household loans.

**Each category’s share of total domestic lending at June 2020 is shown in parentheses; shares may not add up to 100 due to rounding.

Sources: APRA; RBA

---

**Funding Composition of Banks in Australia***

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic deposits</th>
<th>Short-term debt**</th>
<th>Long-term debt</th>
<th>Equity</th>
<th>Securitisation</th>
<th>TFF***</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>60%</td>
<td>30%</td>
<td>10%</td>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>50%</td>
<td>40%</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>40%</td>
<td>30%</td>
<td>30%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Adjusted for movements in foreign exchange rates; tenor of debt is estimated on a residual maturity basis.

**Includes deposits and intragroup funding from non-residents.

***Term Funding Facility

Sources: ABS; APRA; Bloomberg; RBA; Refinitiv; Standard & Poor’s

---

**Capital Ratios***

<table>
<thead>
<tr>
<th>Year</th>
<th>Tier 1</th>
<th>Tier 2</th>
<th>CET1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>2008</td>
<td>10%</td>
<td>10%</td>
<td>12%</td>
</tr>
<tr>
<td>2013</td>
<td>15%</td>
<td>15%</td>
<td>17%</td>
</tr>
</tbody>
</table>

*Per cent of risk-weighted assets; break in March 2008 due to the introduction of Basel II for most ADIs; break in March 2013 due to the introduction of Basel III for all ADIs.

Source: APRA

---

**Banks’ Non-performing Assets**

### Consolidated global operations, share of on-balance sheet assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>Impaired</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>2001</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>2011</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>2021</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

*Includes assets 90+ days past due that are well secured.

Source: APRA