# The Australian Economy and Financial Markets

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**World Economy**

### GDP Growth – World

**Year-ended**

- **Major trading partners***
- **World***

*Weighted using Australian export shares

**PPP-weighted; accounts for 85 per cent of world GDP

Sources: ABS; CEIC Data; IMF; RBA; Refinitiv

### GDP Growth – China and India

**Year-ended**

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

Sources: CEIC Data; RBA

### GDP Growth – Advanced Economies

**Year-ended**

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

Source: Refinitiv

### GDP Growth – East Asia

**Year-ended**

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

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

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**Inflation – China and India**

* Year-ended

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

Sources: Bloomberg; CEIC Data

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**Labour Markets – Advanced Economies**

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

* 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

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**Inflation – East Asia**

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

Sources: CEIC Data; 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

Trimmed mean

Weighted median

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**

Non-tradables**

Year-ended

Quarterly (seasonally adjusted)

Tradables excl volatiles

* 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

**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 2017/18*

Source: ABS

**Private Residential Building Approvals***

*Monthly*

Source: ABS
Private Non-financial Corporation Profits*

Share of nominal GDP

* Gross operating profits; inventory valuation adjusted
Sources: ABS; RBA

Lending to Business*

Break-adjusted

* Exposures data capture credit exposures on the balance sheets of banks allowed by APRA to use an internal ratings-based approach for credit risk management; EFS data are based on reporting of banks and finance companies that have $2 billion or more of business credit
Sources: APRA; RBA

NAB Business Survey

* Net balance; deviation from average since 1989
Sources: NAB; RBA
Factors of Production and Labour Market

**Factors of Production**

- **Annual growth**
  - Net capital stock*
  - Working-age population

<table>
<thead>
<tr>
<th>Year</th>
<th>83/84</th>
<th>90/91</th>
<th>97/98</th>
<th>04/05</th>
<th>11/12</th>
<th>18/19</th>
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<tbody>
<tr>
<td>%</td>
<td></td>
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<tr>
<td>Net capital stock*</td>
<td>5%</td>
<td>3%</td>
<td>2.5%</td>
<td>2%</td>
<td>1.5%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Working-age population</td>
<td>5%</td>
<td>3%</td>
<td>2.5%</td>
<td>2%</td>
<td>1.5%</td>
<td>1.0%</td>
</tr>
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* Excluding livestock & orchards, dwellings and ownership transfer costs

Sources: ABS; RBA

**Wage Price Index Growth**

- **Year-ended**
- **Quarterly**

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<thead>
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</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year-ended</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Quarterly</td>
<td>2%</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
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* Total pay excluding bonuses

Source: ABS

**Capital Ratios***

- **1979/80 = 100**

<table>
<thead>
<tr>
<th>Year</th>
<th>83/84</th>
<th>90/91</th>
<th>97/98</th>
<th>04/05</th>
<th>11/12</th>
<th>18/19</th>
</tr>
</thead>
<tbody>
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<td>Index</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital-labour ratio</td>
<td>125%</td>
<td>150%</td>
<td>175%</td>
<td>200%</td>
<td>225%</td>
<td>250%</td>
</tr>
<tr>
<td>Capital-output ratio</td>
<td>100%</td>
<td>125%</td>
<td>150%</td>
<td>175%</td>
<td>200%</td>
<td>225%</td>
</tr>
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</table>

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

Sources: ABS; RBA

**Unit Labour Costs Growth**

- **Non-farm, year-ended**

<table>
<thead>
<tr>
<th>Year</th>
<th>1999</th>
<th>2004</th>
<th>2009</th>
<th>2014</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit labour costs</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Average earnings per hour</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Labour productivity per hour</td>
<td>5%</td>
<td>4%</td>
<td>3%</td>
<td>2%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Sources: ABS; RBA
Employment and Participation Rates

- Participation rate
- Employment to working-age population ratio

Labour Underutilisation Rates

- Heads-based
- Underemployment rate*
- Unemployment rate

Job Vacancies and Advertisements

- Per cent of labour force
- Advertisements (ANZ survey)
- Vacancies* (ABS survey)

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

* This survey was suspended between May 2008 and November 2009

Source: ABS

* Seasonally adjusted

Sources: ABS; RBA

2008 average = 100
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
Balance of Payments and External Position

Export Volumes
Log scale, quarterly

Import Volumes
Log scale, quarterly

Exports by Destination
Annual, share of total values

Sources: ABS; RBA
Interest Rates

**Australian Cash Rate Target**

![Graph showing Australian Cash Rate Target from 1995 to 2020.](chart)

Source: RBA

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**Policy Interest Rates**

![Graph showing policy interest rates for various regions from 2008 to 2020.](chart)

* Main refinancing rate until the introduction of 3-year LTROs in December 2011; deposit facility rate thereafter

Source: Central banks

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

![Graph showing Australian cash rate, 90-day bill yield, and real cash rate from 1995 to 2020.](chart)

* Calculated using average of year-end weighted median inflation and year-ended trimmed mean inflation

Sources: ABS; ASX; RBA

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**Policy Interest Rates – Selected Advanced Economies**

![Graph showing policy interest rates for selected advanced economies from 2008 to 2020.](chart)

Source: Central banks
**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

**Australian Fixed Interest Rates**

- **3-year maturity**
- **Swap rate**
- **Housing**

* Available to owner-occupiers
Sources: Banks’ websites; Bloomberg; Canstar Cannex; RBA

**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

Sources: RBA; Refinitiv

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

Sources: Bloomberg; RBA

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

All other sectors

Financials

Resources

Sources: Bloomberg; RBA; Refinitiv

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

Emerging Europe

Latin America

China

World

Emerging Asia

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-securlitisations, 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**

**Gross issuance**

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

* Excludes ADIs’ self-securlitisations
** 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-securlitisations

Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA
**Exchange Rates**

### Australian Dollar Trade-weighted Index*

![Graph of Australian Dollar Trade-weighted Index](chart)

* 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

### Official Reserve Assets*

![Graph of Official Reserve Assets](chart)

* 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

### Australian Dollar

![Graph of Australian Dollar](chart)

* ECU per A$ until 31 December 1998

**Source:** Bloomberg

### US Dollar

![Graph of US Dollar](chart)

* US$ per ECU until 31 December 1998

**Sources:** Bloomberg; Eurostat
Banking Indicators

**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

**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

**Australian Bank Profits**

Net profit after tax and Bad and doubtful debts charge

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

Sources: APRA; RBA