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% of world GDP

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

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**GDP Growth – China and India**
Year-ended

- China
- India

Sources: CEIC Data; RBA

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**GDP Growth – Advanced Economies**
Year-ended

- US
- Euro area
- Japan

Source: Refinitiv

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**GDP Growth – East Asia**
Year-ended

- Indonesia
- South Korea
- Malaysia

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

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 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 2018/19

Source: ABS

**Private Residential Building Approvals**

- Monthly

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>1990</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>2000</td>
<td>3.5</td>
<td>1.5</td>
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<tr>
<td>2010</td>
<td>4.0</td>
<td>2.0</td>
</tr>
<tr>
<td>2020</td>
<td>5.0</td>
<td>2.5</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>2000</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>2010</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>2020</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>

* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises
Sources: ABS; 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>0</td>
<td>0</td>
<td>5</td>
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<tr>
<td>2012</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td>0</td>
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<tr>
<td>2015</td>
<td>10</td>
<td>5</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>2018</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>5</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; Residex

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>10</td>
<td>10</td>
<td>0</td>
</tr>
<tr>
<td>2009</td>
<td>15</td>
<td>15</td>
<td>0</td>
</tr>
<tr>
<td>2013</td>
<td>20</td>
<td>20</td>
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</tr>
<tr>
<td>2017</td>
<td>25</td>
<td>25</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>30</td>
<td>30</td>
<td>0</td>
</tr>
</tbody>
</table>

* Seasonally adjusted
Sources: ABS; RBA
Private Non-financial Corporation Profits*

Share of nominal GDP

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

Lending to Business*

Break-adjusted

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

**Factors of Production**

Annual growth

- **Net capital stock***
  - Excluding livestock & orchards, dwellings and ownership transfer costs
  - Sources: ABS; RBA

- **Working-age population**

**Capital Ratios***

1979/80 = 100

- **Capital–labour ratio**
- **Capital–output ratio**

**Wage Price Index Growth***

- **Year-ended**
- **Quarterly**
  - Total pay excluding bonuses
  - Source: ABS

**Unit Labour Costs Growth**

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

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

* Sources: ABS; RBA
**Factors of Production and Labour Market**

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

* 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

* This survey was suspended between May 2008 and November 2009

Sources: ABS; ANZ; National Skills Commission (NSC); 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

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

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

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

* 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
Government

**Australian Government Budget Balance***

Per cent of nominal GDP

![Graph showing the Australian Government Budget Balance from 1984/85 to 2024/25.](chart)

* Underlying cash balance; 2021/22 Budget
Source: Australian Treasury

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**State Budget Balances***

Per cent of nominal GDP

![Graph showing the State Budget Balances from 1984/85 to 2024/25.](chart)

* Underlying cash balance
Source: ABS

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**Public Construction Work Done**

Per cent of nominal GDP

![Graph showing public construction work done from 1990 to 2020.](chart)

Source: ABS

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**Taxation Revenue Growth**

Nominal, year-ended with contributions

![Graph showing taxation revenue growth from 2004 to 2020.](chart)

* Only includes taxation of resident corporations
Source: ABS
Commodity Prices

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

Oil and LNG Prices
Monthly

Bulk Commodity Prices
Free on board basis

Terms of Trade*
2018/19 average = 100, log scale

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

Sources: ABS; Bloomberg; IHS Markit; RBA

* Annual data are used prior to 1960

Sources: ABS; RBA

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Balance of Payments and External Position

**Export Volumes**

- Log scale, quarterly
- Sources: ABS; RBA

**Resource Exports***

- Log scale, quarterly
- Seasonally adjusted by the RBA
- Sources: ABS; Department of Industry, Science, Energy and Resources; RBA

**Import Volumes**

- Log scale, quarterly
- Source: ABS

**Exports by Destination**

- Annual, share of total values
- The series has been revised to exclude the UK
- Sources: ABS; RBA

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*Notes:*
- Resources: Includes coal, LNG, iron ore, and other minerals.
- Services: Includes travel services.
- Rural: Includes agriculture, forestry, and fishing.
- Manufacturing: Includes manufacturing and mining.
- Consumption: Includes food, beverages, and tobacco.
- Intermediate: Includes machinery and transport equipment.
- Capital: Includes construction and utilities.
- China: Major export destination.
- US: Major export destination.
- Japan: Major export destination.
- EU-27*: Includes all EU member states.
- South Korea: Major export destination.
- India: Major export destination.
- UK: Major export destination.

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**Graphs:**
- Export Volumes show trends in export volumes for different sectors.
- Resource Exports illustrate the trend in resource exports, with a focus on specific commodities.
- Import Volumes depict the trends in import volumes for different categories.
- Exports by Destination highlight the share of total exports to different destinations.

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**Additional Information:**
- The charts provide a visual representation of the balance of payments and external position over time, highlighting key trends and changes in export and import volumes for various sectors and destinations.
Central Bank Balance Sheets and Bond Purchases
CENTRAL BANK BALANCE SHEETS AND BOND PURCHASES

**Central Bank Total Assets**

Per cent of GDP

![Graph showing Central Bank Total Assets](image)

Sources: Central banks; RBA; Refinitiv

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**Central Bank Government Bond Holdings**

Per cent of eligible stock outstanding*

![Graph showing Central Bank Government Bond Holdings](image)

* Data include nominal and inflation-linked bonds issued by central governments that are eligible for purchase in the secondary market under central banks’ 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
Interest Rates

**Australian Cash Rate Target**

Source: RBA

**Policy Interest Rates**

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

Source: Central banks

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

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

Sources: ABS; AFMA; ASX; RBA

**Policy Interest Rates – Selected Advanced Economies**

Source: Central banks
Monetary Policy – China

Interest rates

- One-year MLF*
- Seven-day repo (month average)
- One-year benchmark lending
- Medium institutions
- Small institutions

Reserve requirement ratios

- Large institutions

Sources: CEIC Data; RBA

Policy Interest Rates – Emerging Markets

- Indonesia*
- Brazil
- Russia*
- India
- Philippines
- Thailand
- South Korea
- South Africa
- Mexico

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

Source: Central banks

10-year Australian Government Bond Yield

Sources: RBA; Yieldbroker

10-year Government Bond Yields

Sources: CEIC Data; Refinitiv
Spread between Australian 10-year Bond Yield and the Cash Rate Target

Differential between Australian and US 10-year Government Bond Yields

Australian Non-financial Corporate Bond Yields

Australian Non-financial Corporate Bond Spreads

Sources: RBA; Refinitiv; Yieldbroker
**US Corporate Bond Yields**

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

**Chinese Corporate Bond Yields**

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

**US Corporate Bond Spreads**

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

**Emerging Market Government Bond Yields**

*Weighted average across issuers*
Source: J.P. Morgan
Share Markets

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

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

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

* MSCI indices; Shanghai Composite Index for China
Sources: Bloomberg; MSCI; RBA
US and Euro Area Corporate Bond Issuance*

Emerging Market Corporate Bond Issuance*

* June 2021 is 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

**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

**Australian Dollar**

* ECU per A$ until 31 December 1998

Source: Bloomberg

**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

**Australian Bank Profits**

Net profit after tax

Bad and doubtful debts charge

* 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: APRA; RBA