The Australian Economy and Financial Markets

Chart Pack | February 2021
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Australian Inflation

**Consumer Price Inflation***

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

**Measures of Underlying Inflation***

*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***

*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


- 90
- 70
- 50
- 30
- 10

* 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

2009 2012 2015 2018 2021

- 100
- 95
- 90
- 85

* 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


- 24
- 22
- 20
- 18
- 16
- 14
- 12

* Reference year is 2018/19
Source: ABS

Private Residential Building Approvals

- Monthly


- 100
- 80
- 60
- 40
- 20

Source: ABS
Factors of Production and Labour Market

Factors of Production
Annual growth

- Net capital stock*
- Working-age population

Sources: ABS; RBA

Capital Ratios*
1979/80 = 100

- Capital–labour ratio
- Capital–output ratio

Sources: ABS; RBA

Wage Price Index Growth*

- Year-ended
- Quarterly

Source: ABS

Unit Labour Costs Growth
Non-farm, year-ended

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

Sources: ABS; RBA

RESERVE BANK OF AUSTRALIA

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Commodity Prices

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

Source: RBA

Bulk Commodity Prices
Free on board basis

US$/t
- Iron ore (LHS)
- Thermal coal (LHS)
- Coking coal (RHS)

Average Australian export price
Spot price

Sources: ABS; Bloomberg; IHS Markit; RBA

Oil and LNG Prices
Monthly

US$/b
- Brent oil (LHS)
- Japan and Korea LNG spot (RHS)

Sources: Bloomberg; RBA; Refinitiv

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

index

Sources: ABS; RBA

* Annual data are used prior to 1960

* Iron ore 62% Fe Fines Index; Newcastle thermal coal and premium hard coking coal
Balance of Payments and External Position

Export Volumes
Log scale, quarterly

- Resources
- Services
- Rural
- Manufacturing

Sources: ABS; RBA

Resource Exports*
Log scale, quarterly

- Iron ore
- Coal
- LNG

* Seasonally adjusted by the RBA
Sources: ABS; Department of Industry, Science, Energy and Resources; RBA

Import Volumes
Log scale, quarterly

- Consumption
- Intermediate
- Services
- Capital

Source: ABS

Exports by Destination
Annual, share of total values

- China
- Japan
- EU-27
- South Korea
- India
- US

Source: ABS
**Current Account Balance**
Per cent of nominal GDP

**Net Capital Inflow**
Per cent of nominal GDP

**Net Foreign Liabilities**
By type, per cent of nominal GDP

**External Position**
Composition after hedging, quarterly

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* 2020 values include the March, June and September quarters

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* Short-term includes debt with residual maturity of one year or less; long-term includes all other debt

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Sources: ABS; RBA
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
### Variable Housing Interest Rates

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

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

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

### Fixed Housing Interest Rates

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

Sources: Banks’ websites; CANSTAR; RBA; Refinitiv

* Available to owner-occupiers

### Housing Interest Rates*

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

Sources: APRA; RBA; Securitisation System

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

### Australian Business Lending Rates*

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

Sources: APRA; RBA

* 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)
US and Euro Area Corporate Bond Issuance*

Gross issuance

US

Financials
Non-financials

Euro area

US$ billions

2005 2009 2013 2017 2021

* March 2021 is quarter-to-date
Sources: Dealogic; RBA

Emerging Market Corporate Bond Issuance*

Gross issuance

China

Foreign currency-denominated
Local currency-denominated

Other

US$ billions

2005 2009 2013 2017 2021

* March 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
Selected Asian Currencies against the US Dollar

31 January 2000 = 100

Source: Bloomberg

G3 Nominal Trade-weighted Indices

1999–2020 average = 100

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

Chinese Renminbi

Nominal effective exchange rate*
(LHS, 2010 average = 100)

Yuan per US$ (RHS, monthly average, inverted scale)

* Monthly average nominal rate calculated using BIS EER weights

Sources: BIS, Refinitiv

EXCHANGE RATES
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
Banks’ Non-performing Assets

Consolidated global operations, share of on-balance sheet assets

- Total*
- Impaired

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

Source: APRA

Capital Ratios*

Consolidated global operations of locally incorporated ADIs

- Banks
- Other ADIs
- Credit unions
- Building societies
- Tier 1
- CET1
- Tier 2

* 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

Domestic books

- Share of all assets*
- Share of assets by type**

* 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 September 2020 is shown in parentheses; shares may not add up to 100 due to rounding

Sources: APRA; RBA

Funding Composition of Banks in Australia*

Share of total funding

- Domestic deposits
- Short-term debt**
- Long-term debt
- Securitisation
- Equity
- TFF***

* 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