# The Australian Economy and Financial Markets

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World Economy

GDP Growth – World
Year-ended

GDP Growth – Advanced Economies
Year-ended

GDP Growth – China and India
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
World Economy

Inflation – Advanced Economies*

Year-ended

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2011</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td></td>
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<td></td>
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<tr>
<td>Euro area</td>
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<tr>
<td>Japan</td>
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</table>

Inflation – China and India

Year-ended

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
<th>2012</th>
<th>2016</th>
<th>2020</th>
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<tbody>
<tr>
<td>India</td>
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<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>China</td>
<td></td>
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<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Labour Markets – Advanced Economies

Unemployment rate

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>US</td>
<td></td>
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<tr>
<td>Euro area</td>
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</table>

Wages growth*

Year-ended

<table>
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<tbody>
<tr>
<td>US</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Euro area</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Japan</td>
<td></td>
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</tr>
</tbody>
</table>

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

* 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

Year-ended

<table>
<thead>
<tr>
<th></th>
<th>2004</th>
<th>2008</th>
<th>2012</th>
<th>2016</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>Malaysia</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>South Korea</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

Sources: CEIC Data; RBA
World Economy

China – Activity Indicators

Year-ended growth

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2010</th>
<th>2015</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing PMI*</td>
<td>45</td>
<td>55</td>
<td></td>
</tr>
<tr>
<td>Industrial production</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed asset investment</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Real retail sales</td>
<td>30</td>
<td>30</td>
<td></td>
</tr>
</tbody>
</table>

* Diffusion index; average of the official and Caixin
Sources: CEIC Data; Markit Economics; RBA

China – Residential Property Indicators

Year-ended growth

<table>
<thead>
<tr>
<th>New property prices</th>
<th>Official</th>
<th>Investment**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Land purchases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Alternative*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other investment***</td>
</tr>
</tbody>
</table>

* 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

Contribution to six-month annualised growth

<table>
<thead>
<tr>
<th>Business financing*</th>
<th>Household loans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Sum of business loans, securities financing and off-balance sheet financing
** Upper bound estimate after including local government bond issuance to pay off debt previously included in TSF
Sources: CEIC Data; RBA

China – Gross Output of Selected Products*

2006 average = 100

<table>
<thead>
<tr>
<th>Product</th>
<th>2006</th>
<th>2014</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity generation</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Plate glass</td>
<td></td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Cement</td>
<td></td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>Steel products</td>
<td></td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Steel products</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crude steel</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Seasonally adjusted by RBA
Sources: CEIC Data; RBA
**Australian Growth**

### GDP Growth

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

Source: ABS

### Mining and Non-mining Activity

- **Year-ended growth, RBA estimates**

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

Sources: ABS; RBA

### State Final Demand

- **Year-ended growth**

Sources: ABS; RBA

---

**Contributions to GDP Growth**

- **Year-ended**

Sources: ABS; RBA
Australian Inflation

**Consumer Price Inflation***

Year-ended

Quarterly (seasonally adjusted)

<table>
<thead>
<tr>
<th>Year-ended</th>
<th>Quarterly (seasonally adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>1.2</td>
</tr>
<tr>
<td>0.5</td>
<td>1.2</td>
</tr>
</tbody>
</table>

* 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

Traded and Non-tradable Inflation*

Non-tradables**

Year-ended

Quarterly (seasonally adjusted)

Tradables excl volatiles

<table>
<thead>
<tr>
<th>Year-ended</th>
<th>Quarterly (seasonally adjusted)</th>
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</thead>
<tbody>
<tr>
<td>0.5</td>
<td>1.2</td>
</tr>
<tr>
<td>0.5</td>
<td>1.2</td>
</tr>
</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

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* 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

- Private Dwelling Investment*

- Chain volume, quarterly

- Private Residential Building Approvals

- Monthly

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

Household Income and Consumption*

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

- Source: ABS; RBA

Private Dwelling Investment*

- Reference year is 2017/18

- Source: ABS

Consumer Sentiment*

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

Private Residential Building Approvals

- Source: ABS
Household Sector

Housing Prices and Household Debt*
Ratio to household disposable income

Housing Prices
Year-ended growth, seasonally adjusted

Household Wealth and Liabilities*
Per cent of annual household disposable income

Household Loan Commitments*
Excluding refinancing

* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises
Sources: ABS; CoreLogic; RBA

* 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
Business Sector

Business Investment*  
Share of nominal GDP

Business Investment Components*  
Share of nominal GDP

Business Investment Components*  
Share of nominal GDP

Capital Expenditure – Mining and Non-mining*
Nominal, log scale

Industry Share of Business Investment*

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

* 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

* Dots are firms’ expectations for 2019/20 and 2020/21; adjusted for historical differences between expected and realised spending
Sources: ABS; RBA
Business Sector

**Private Non-financial Corporation Profits***

Share of nominal GDP

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

**NAB Business Survey**

*Net balance; deviation from average since 1989
Sources: NAB; RBA

**Business Lending by Banks***

Break-adjusted

*Credit exposures on the balance sheets of banks allowed by APRA to use an internal ratings-based approach for credit risk management
Sources: APRA; RBA
Credit and Money

Credit and Broad Money Growth

Monetary Aggregates Growth

Credit Growth by Sector

Housing Credit Growth

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

Factors of Production
Annual growth

- Net capital stock*
- Working-age population

Capital Ratios*
1979/80 = 100

- Capital-labour ratio
- Capital-output ratio

Wage Price Index Growth*
Year-ended
Quarterly

Unit Labour Costs Growth
Non-farm, year-ended

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

Sources: ABS; RBA

* Excluding livestock & orchards, dwellings and ownership transfer costs

Sources: ABS; RBA
Factors of Production and Labour Market

Employment and Participation Rates

![Graph showing participation rate and employment to working-age population ratio from 1995 to 2020.](chart)

Source: ABS

Labour Underutilisation Rates

![Graph showing underemployment rate and unemployment rate from 1995 to 2020.](chart)

* 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

![Graph showing vacancies and advertisements from 2004 to 2020.](chart)

* This survey was suspended between May 2008 and November 2009

Sources: ABS; ANZ

Employment and Hours Worked*

![Graph showing employment, total hours worked, and average hours worked from 2008 to 2020.](chart)

* Seasonally adjusted; trend in darker colour

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**

Trend

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

Source: ABS

---

**Industry Share of Output***

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

Source: ABS

---

**Employment Growth by Industry**

Cumulative change since March 2013

- Household services
- Business services
- Public administration
- Other*

Source: ABS

---

*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
Government

**Australian Government Budget Balance***
Per cent of nominal GDP

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</thead>
<tbody>
<tr>
<td>Balance</td>
<td>-1.5%</td>
<td>-1.0%</td>
<td>-0.5%</td>
<td>0.0%</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

* Underlying cash balance: 2019/20 Mid-year economic and fiscal outlook
Source: Australian Treasury

**State Budget Balances***
Per cent of nominal GDP

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>-1.5%</td>
<td>-1.0%</td>
<td>-0.5%</td>
<td>0.0%</td>
<td>0.5%</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

* Underlying cash balance
Source: ABS

**Public Construction Work Done**
Per cent of nominal GDP

<table>
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<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Building</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Engineering</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
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</table>

Source: ABS

**Taxation Revenue Growth**
Nominal, year-ended with contributions

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2011</th>
<th>2015</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>5%</td>
<td>10%</td>
<td>5%</td>
<td>0%</td>
</tr>
</tbody>
</table>

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

RBA Index of Commodity Prices
SDR, 2017/18 average = 100, log scale

Source: RBA

Bulk Commodity Prices
Free on board basis

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

Average Australian export price
Spot price*

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

Base Metals, Rural and Oil Prices
Monthly

Brent oil
Base metals*
Rural*

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

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

* Annual data are used prior to 1960
Sources: ABS; RBA

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* BulkCommodityPrices
Free on board basis
Iron ore
(LHS)
2015 2020
30 75 120 165
US$/t
Thermal coal
(LHS)
2015 ... ore 62% Fe Fines Index; Newcastle thermal coal and premium
hard coking coal
Sources: ABS; Bloomberg; IHS Markit; RBA

* Terms of Trade*
2017/18 average = 100, log scale
* Annual data are used prior to 1960
Sources: ABS; RBA
Balance of Payments and External Position

**Export Volumes**
Log scale, quarterly

- **Resources**
- **Services**
- **Rural**
- **Manufacturing**

Sources: ABS; RBA

**Bulk Commodity Exports**
Quarterly

- **Iron ore**
- **Coal**

Sources: ABS; 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
Balance of Payments and External Position

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

* 2019 values include the March, June and September quarters
Source: ABS

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

* Hedge ratios inferred from ABS Foreign Currency Exposure surveys
Sources: ABS; RBA
**Monetary Policy – China**

- **Interest rates**
  - One-year MLF*
  - One-year benchmark lending
  - Seven-day repo
- **Reserve requirement ratios**
  - Large institutions
  - Medium institutions
  - Small institutions

* Medium term lending facility

Sources: CEIC Data; RBA

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**Policy Interest Rates – Emerging Markets**

- Indonesia*
- Brazil
- Russia*
- India
- Malaysia
- 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

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**10-year Government Bond Yields**

Sources: Bloomberg; Refinitiv
**Interest Rates**

- **Spread between Australian 10-year Bond Yield and the Cash Rate**
  - Sources: RBA

- **Australian Non-financial Corporate Bond Yields**
  - 3-year target
  - Sources: Bloomberg; RBA

- **Differential between Australian and US 10-year Government Bond Yields**
  - Sources: Bloomberg; RBA; Yieldbroker

- **Australian Non-financial Corporate Bond Spreads**
  - Spread to government yields; 3-year target
  - Sources: Bloomberg; RBA
Interest Rates

**US Corporate Bond Yields**

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

* Includes financials and non-financials

Sources: Bloomberg; 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 Bond Yields**

- Europe
- Latin America
- Asia

Sources: Bloomberg; RBA; Refinitiv

**US Corporate Bond Yields**

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

* Includes financials and non-financials

Sources: Bloomberg; ICE Data is used with permission

**Emerging Market Bond Yields**

- US dollar-denominated, blended yield

Sources: Bloomberg; RBA; Refinitiv
Interest Rates

**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**
- **Small business**
- **Swap rate**
- **Housing**

* Available to owner-occupiers

Sources: Banks’ websites; Bloomberg; CANSTAR; RBA

**Variable Housing Interest Rates**

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

* Average of securitised data re-weighted using housing credit shares

Sources: APRA; RBA; Securitisation System

**Australian Business Lending Rates**

- **Average interest rate on outstanding lending**
  - **Small business**
  - **Large business**

* RBA estimates

Sources: APRA; RBA
**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

*ASX 200 companies
Sources: Bloomberg; RBA; Refinitiv

*MSCI indices; Shanghai Composite Index for China
Sources: Bloomberg; MSCI; RBA

Sources: RBA; Refinitiv

Sources: Bloomberg; 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**
- **Non-financial corporations**
- **Non-residents**
- **Asset-backed securities**

* Excludes ADIs’ self-securitisations

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

**US and Euro Area Corporate Bond Issuance***

Gross issuance

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

**Emerging Market Corporate Bond Issuance***

Gross issuance

* March 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

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**Official Reserve Assets**

<table>
<thead>
<tr>
<th>Year</th>
<th>Official Reserve Assets</th>
<th>Net Foreign Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>80</td>
<td>40</td>
</tr>
<tr>
<td>2010</td>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td>2005</td>
<td>40</td>
<td>0</td>
</tr>
<tr>
<td>2000</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>1995</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>2020</td>
<td>80</td>
<td>40</td>
</tr>
</tbody>
</table>

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**Exchange Rates**

<table>
<thead>
<tr>
<th>Year</th>
<th>Yen per A$ (LHS)</th>
<th>US$ per A$ (RHS)</th>
<th>Euro per A$ (RHS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>200</td>
<td>1.50</td>
<td>0.40</td>
</tr>
<tr>
<td>2010</td>
<td>180</td>
<td>1.25</td>
<td>0.35</td>
</tr>
<tr>
<td>2005</td>
<td>160</td>
<td>1.00</td>
<td>0.25</td>
</tr>
<tr>
<td>2000</td>
<td>140</td>
<td>0.75</td>
<td>0.20</td>
</tr>
<tr>
<td>1995</td>
<td>120</td>
<td>0.50</td>
<td>0.15</td>
</tr>
<tr>
<td>2020</td>
<td>200</td>
<td>1.50</td>
<td>0.40</td>
</tr>
</tbody>
</table>

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Source: RBA; ABS; Refinitiv; WM/Reuters

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**Australian Dollar Trade-weighted Index**

- Nominal
- Real

Sources: ABS; RBA; Refinitiv; WM/Reuters
Exchange Rates

Selected Asian Currencies against the US Dollar
31 January 2000 = 100

- India
- Thailand
- South Korea
- Malaysia
- Singapore
- Indonesia

Source: Bloomberg

US Dollar

Yen per US$ (LHS)

US$ per euro* (RHS, inverted scale)

* US$ per ECU until 31 December 1998

Sources: Bloomberg; Eurostat

G3 Nominal Trade-weighted Indices
1999–2019 average = 100

- US dollar
- Euro
- Japanese yen

Japanese yen

US dollar

Euro

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; Bloomberg; RBA
Banking Indicators

**Australian Bank Profits**

- **Net profit after tax**
  - Major banks: $6b, $12b
  - Other Australian-owned banks: $1.1b, $2.2b
  - Foreign-owned banks: $2013, $0.0b, $1.5b

- **Bad and doubtful debts charge**
  - Major banks: $6b, $12b
  - Other Australian-owned banks: $1.1b, $2.2b
  - Foreign-owned banks: $2013, $0.0b, $1.5b

**Australian Bank Profitability***

- **Return on shareholders’ equity after tax and minority interests**
  - Majors: 20% to 10%
  - Other Australian-owned banks: 10% to 0%

**Major Banks’ Net Interest Margin***

- **Domestic, half-yearly**
  - 1.5% to 0.0%

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

* 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

Sources: APRA; RBA
Banking Indicators

Banks’ Non-performing Assets

Consolidated global operations, share of on-balance sheet assets

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

Capital Ratios*

Consolidated global operations of locally incorporated ADIs

* 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 2019 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

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

Sources: APRA; RBA