# 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
- Euro area
- Japan

Source: Refinitiv

**GDP Growth – East Asia**

*Year-ended*

- Indonesia
- South Korea
- Malaysia

Sources: CEIC Data; RBA
Household Sector

Household Income and Consumption*

- **Consumption**: Real, year-ended growth
- **Disposable income**: Real, year-ended growth
- **Saving ratio**: Real, year-ended growth

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

Sources: ABS; RBA

Private Dwelling Investment*

- Chain volume, quarterly

* Reference year is 2017/18

Source: ABS

Private Residential Building Approvals

- Monthly

Source: ABS

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
Business Sector

**Business Investment***
Share of nominal GDP

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

**Business Investment Components***
Share of nominal GDP

**Industry Share of Business Investment***

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

Source: ABS

* Dots are firms’ expectations for 2019/20 and 2020/21; adjusted for historical differences between expected and realised spending

Sources: ABS; RBA

* 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
Regions and Industry

**State Share of Output***

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

**State Unemployment Rates*** (Seasonally adjusted)

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

**Employment Growth by Industry*** (Cumulative change since March 2013)

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

* 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
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
**Current Account Balance**

Per cent of nominal GDP

- Trade balance
- Net income balance

Source: ABS

**Net Capital Inflow**

Per cent of nominal GDP

- Debt
- Equity
- Total

* 2020 value includes the March quarter

Source: ABS

**Net Foreign Liabilities**

By type, per cent of nominal GDP

- Total
- Long-term debt*
- Short-term debt*
- Equity

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

Source: ABS

**External Position**

Composition after hedging, quarterly

- Gross foreign liabilities
- Gross foreign assets

* Hedge ratios inferred from ABS Foreign Currency Exposure surveys

Sources: ABS, RBA

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**BALANCE OF PAYMENTS AND EXTERNAL POSITION**

**CHAR T PACK | JULY 2020**

**RESERVE BANK OF AUSTRALIA**
### Interest Rates

**Australian Cash Rate Target**

- **Source:** RBA

**Policy Interest Rates**

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

*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**

- **Cash rate target**
- **90-day bill yield**
- **Real cash rate**

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

**Source:** ABS; ASX; RBA

**Policy Interest Rates – Selected Advanced Economies**

- **NZ**
- **UK**
- **Sweden**
- **Canada**
- **Switzerland**

**Source:** Central banks
**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
**Bond Issuance**

**Bonds on Issue in Australia**

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

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**

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

**Non-government Bond Issuance**

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

Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA

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

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

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

* Excludes bonds purchased by the Australian Government
** Excludes ADIs' self-securitisations, includes government-guaranteed bonds
- Australian dollar-denominated bonds only

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

**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