



RESERVE BANK OF AUSTRALIA

An Economic Update

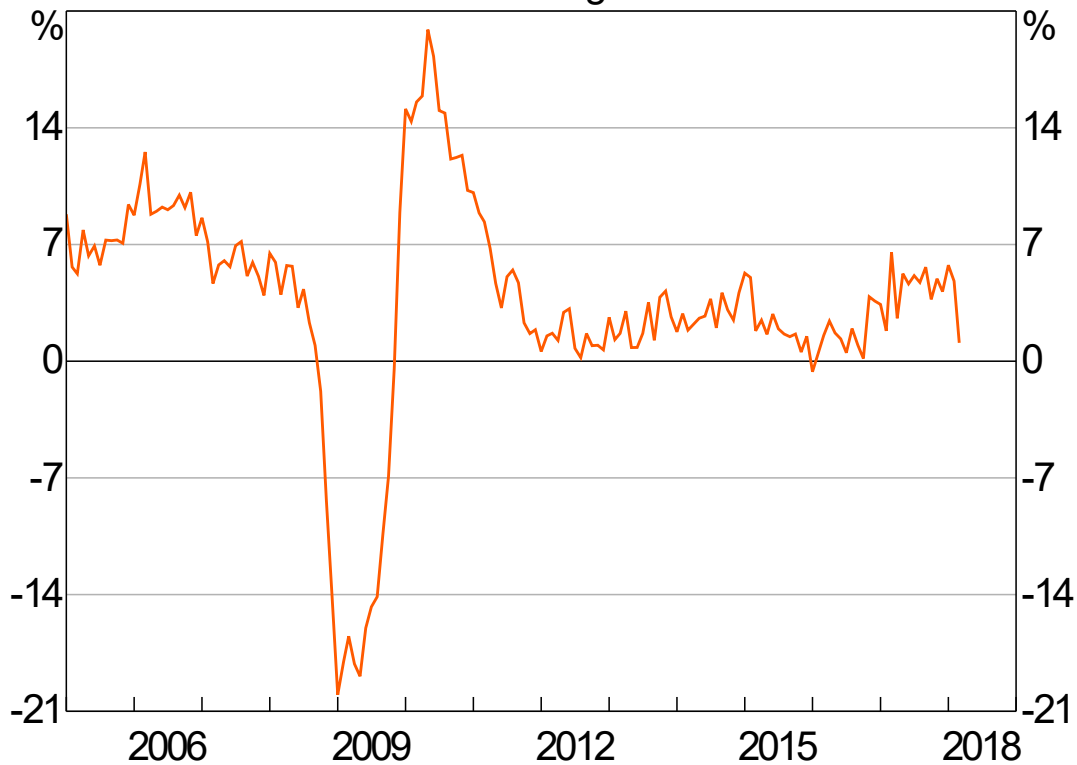
Luci Ellis (Assistant Governor, Economic)

Education



World Export Volumes

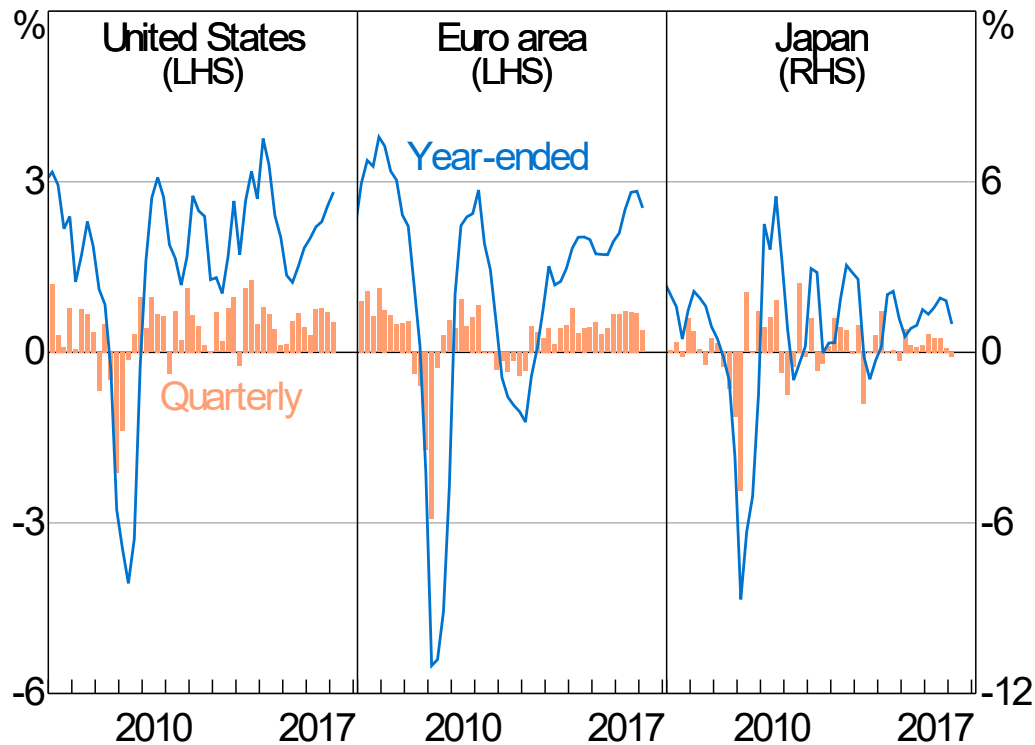
Year-ended growth



Sources: CPB Netherlands; RBA



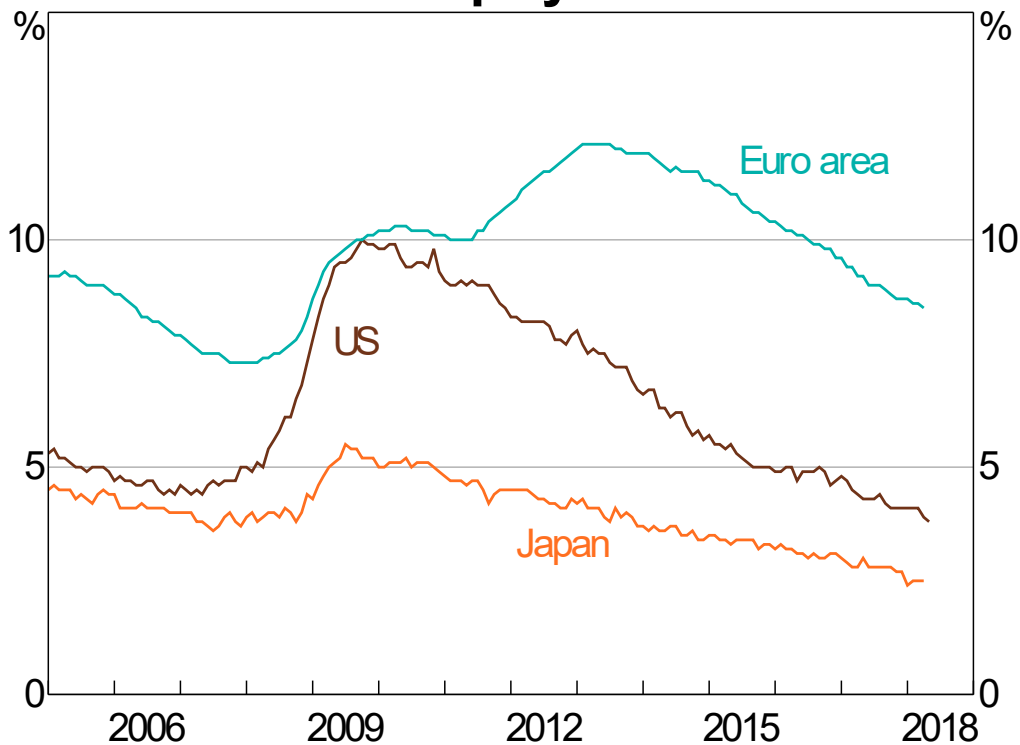
Major Advanced Economies – GDP Growth



Source: Thomson Reuters



Major Advanced Economies – Unemployment

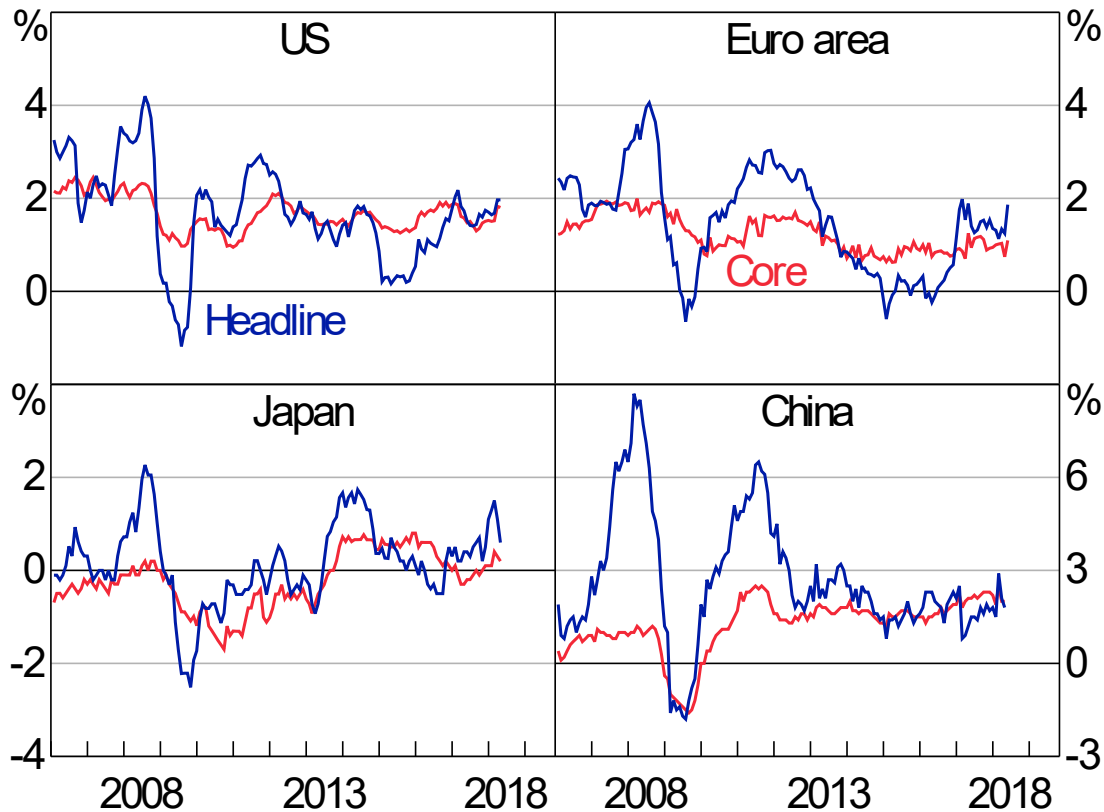


Sources: RBA; Thomson Reuters



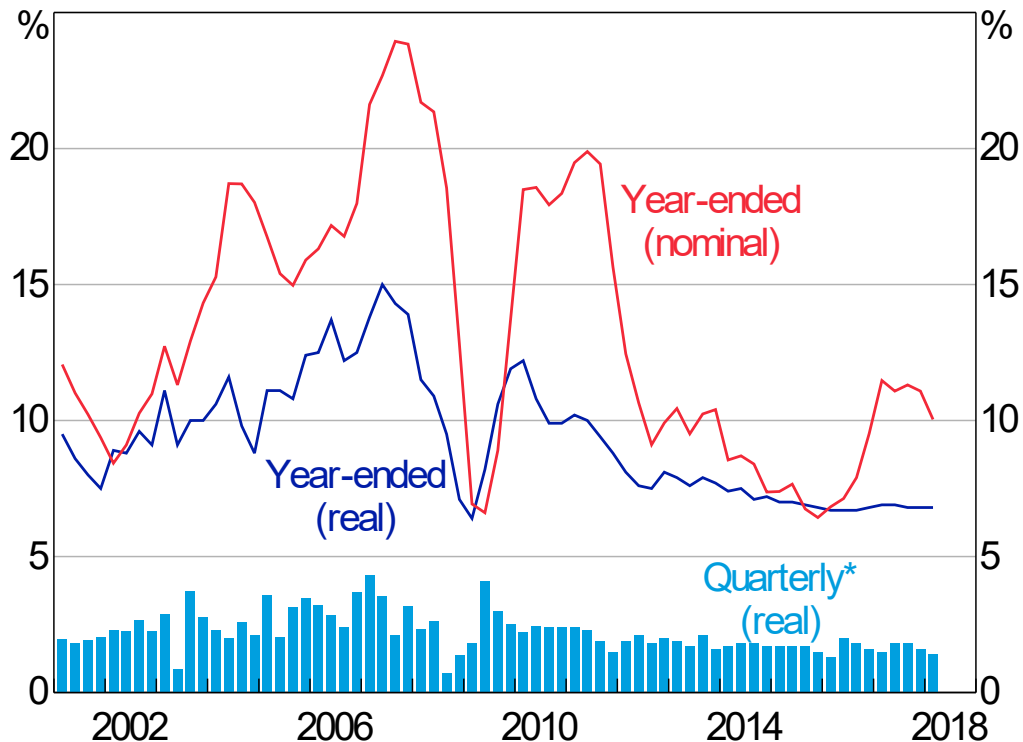
Consumer Price Inflation

Year-ended





China – GDP Growth



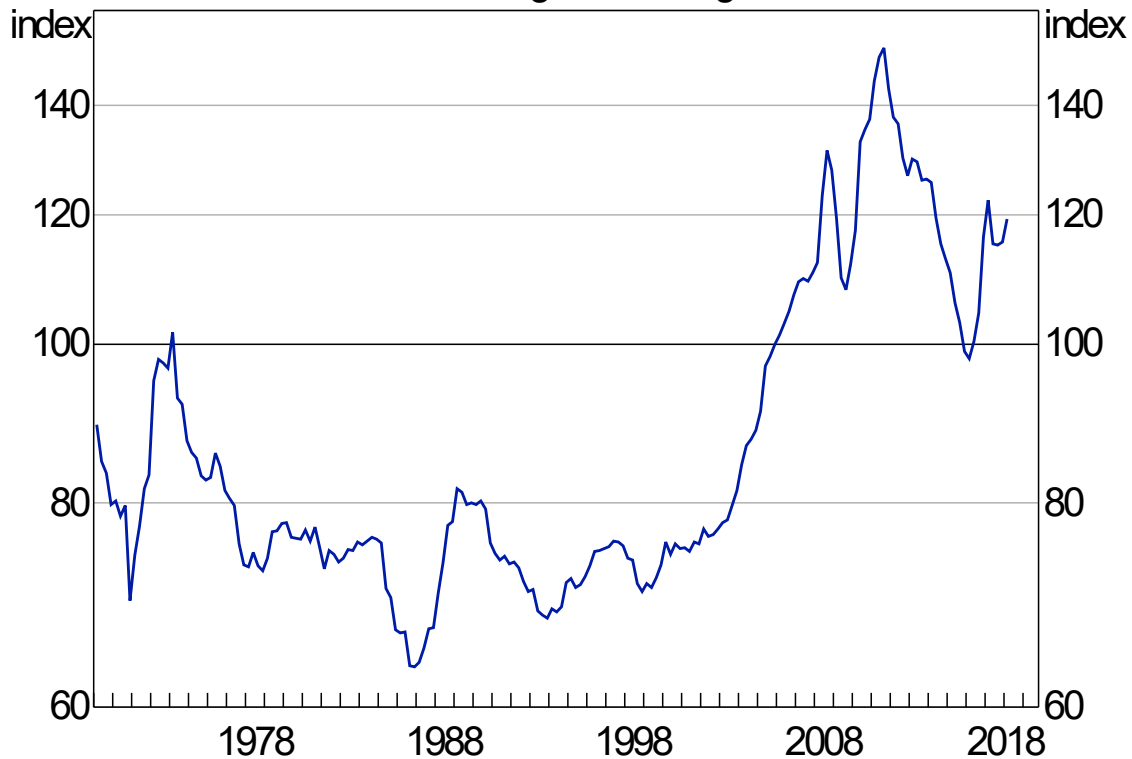
* Quarterly data are seasonally adjusted, RBA estimates prior to December quarter 2010

Sources: CEIC Data; RBA



Terms of Trade

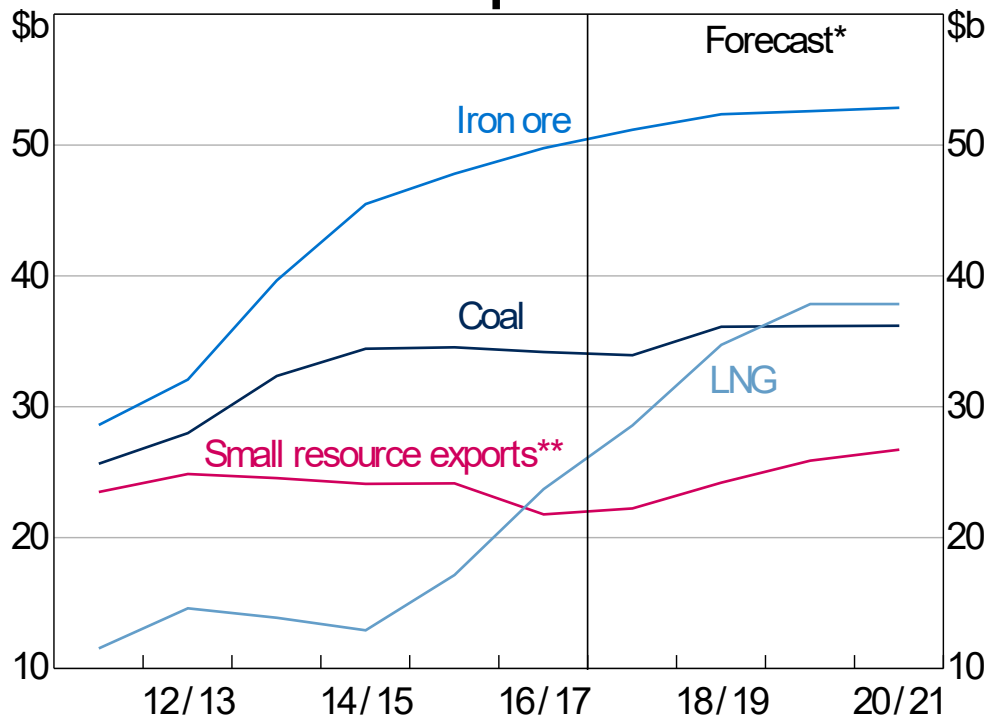
2015/16 average = 100, log scale



Sources: ABS; RBA



Resource Export Volumes



* Based on RBA May 2018 SMP forecasts, RIA production profiles and DOIS projections

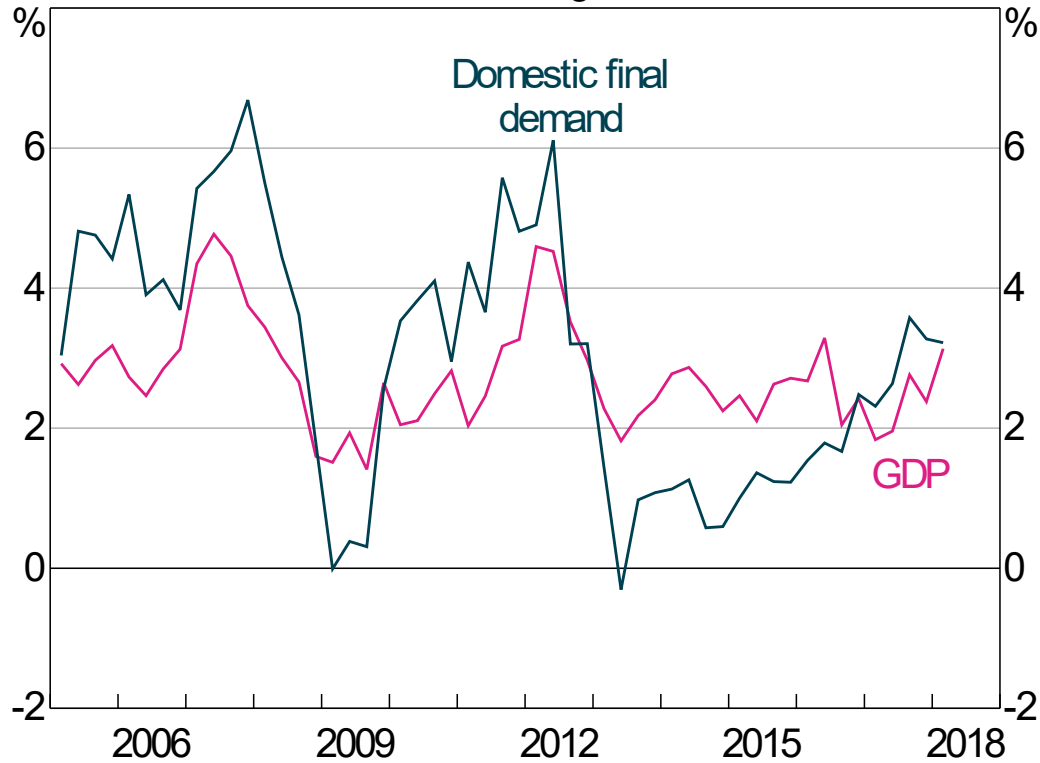
** Includes copper, alumina, aluminium, zinc, nickel, bauxite and lithium

Sources: ABS; Company Reports; DMIRS; DOIS; RBA



Domestic Activity

Year-ended growth

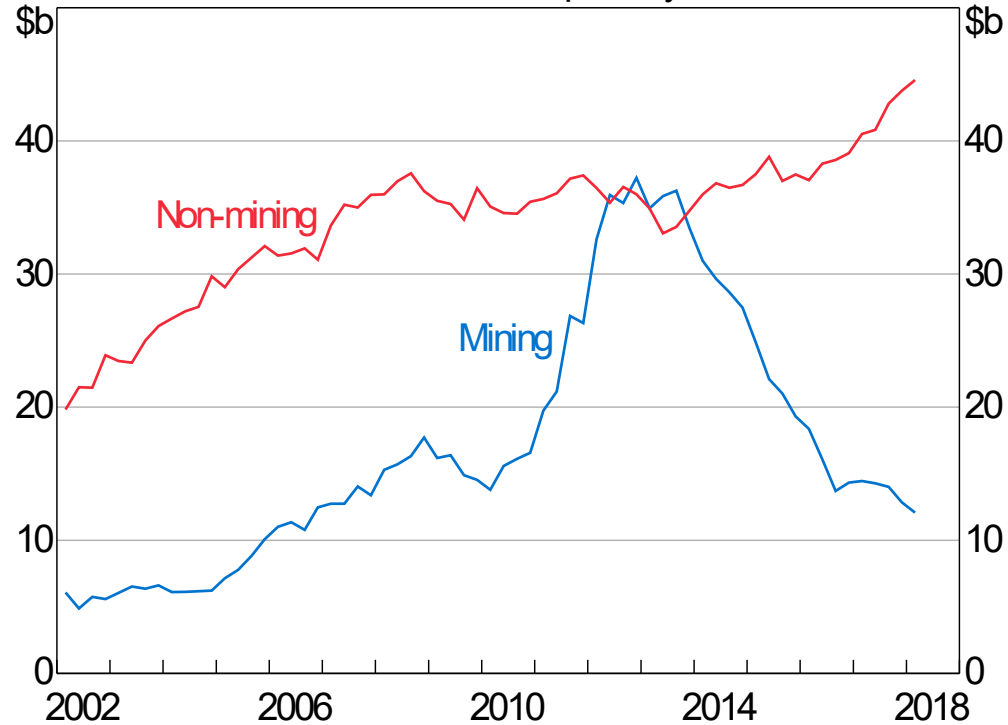


Source: ABS



Business Investment*

Chain volume, quarterly



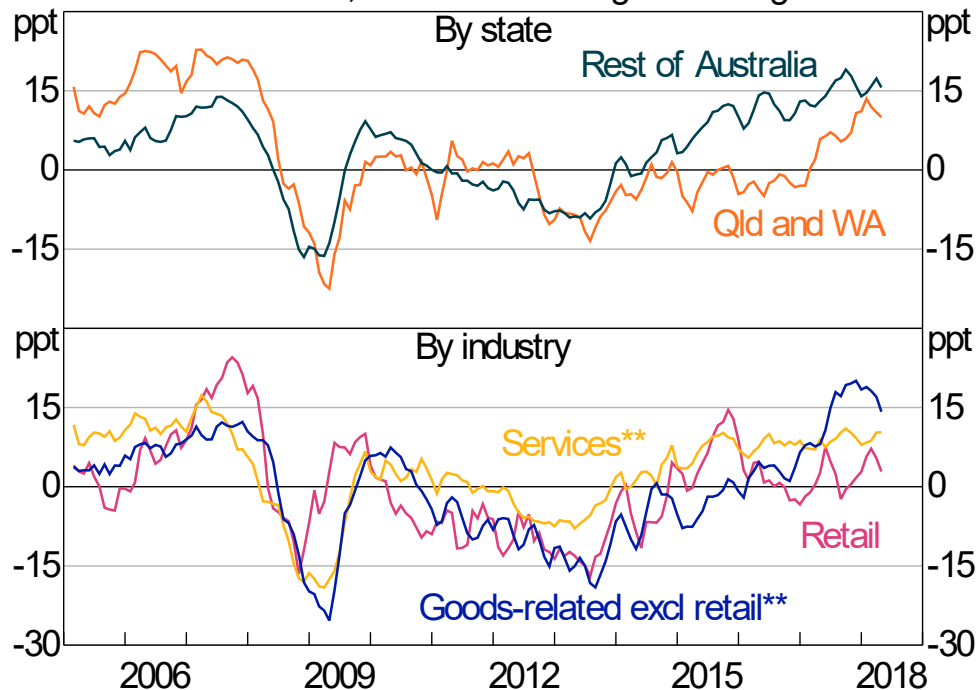
* Reference year is 2015/2016; RBA estimates

Sources: ABS; RBA



NAB Business Conditions*

Net balance, deviation from long-run average



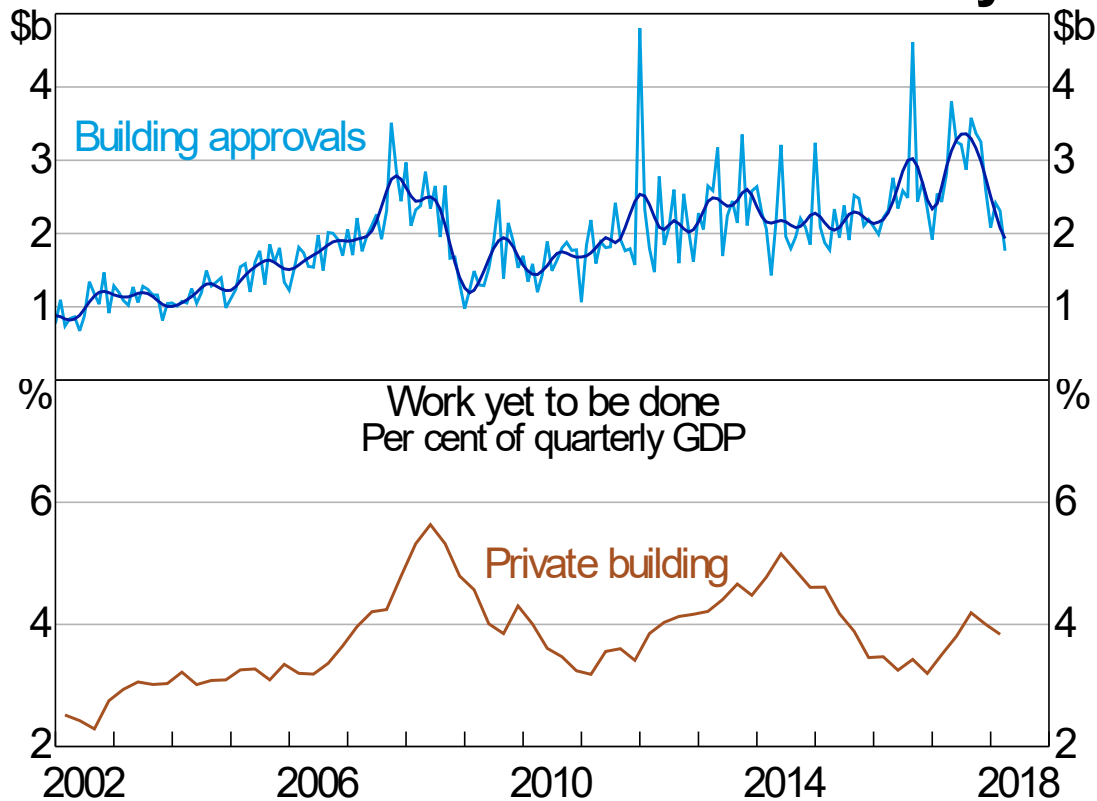
* Three-month moving average

** Goods-related includes manufacturing, construction, wholesale and transport; services includes business and personal services

Sources: NAB; RBA



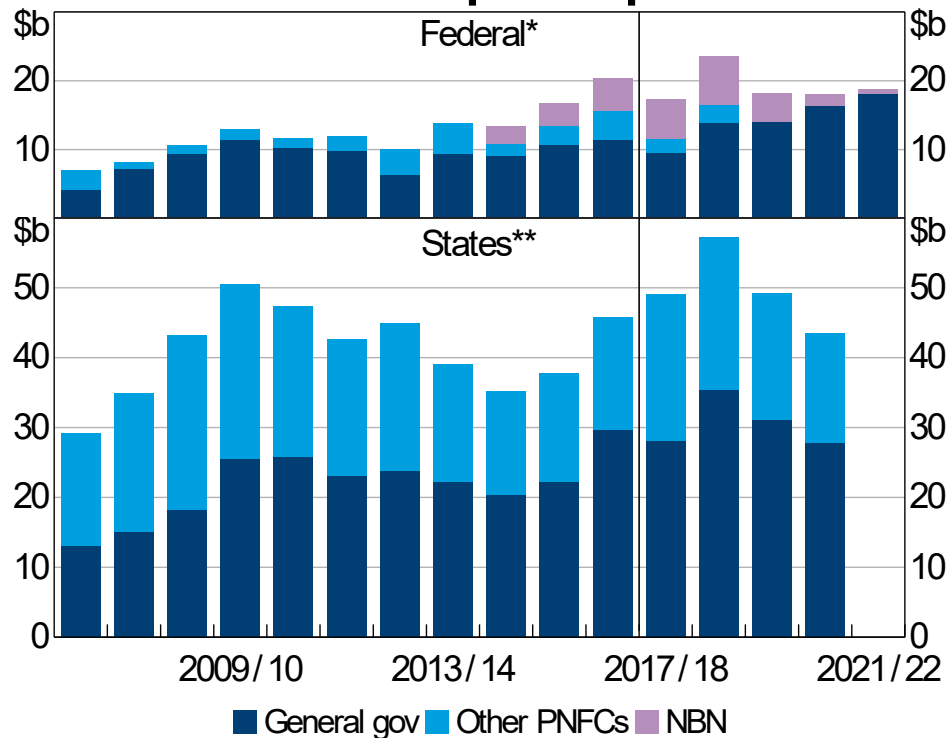
Non-residential Construction Activity



Sources: ABS; RBA



Government Capital Expenditure



* Projections not available for Public Non-Financial Corporations (PNFCs)

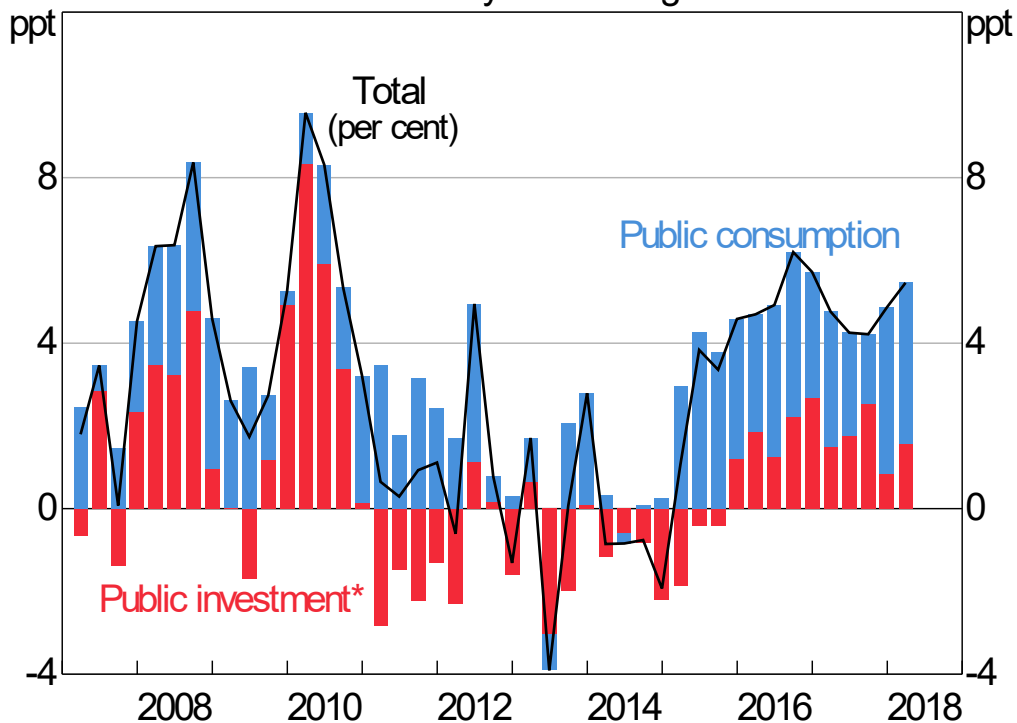
** Using most recent budgets; 2018/19 budgets only available for ACT, NT, QLD, VIC, and WA

Sources: Australian Treasury; NBN Co; RBA; State Budgets



Public Demand

Contribution to year-ended growth

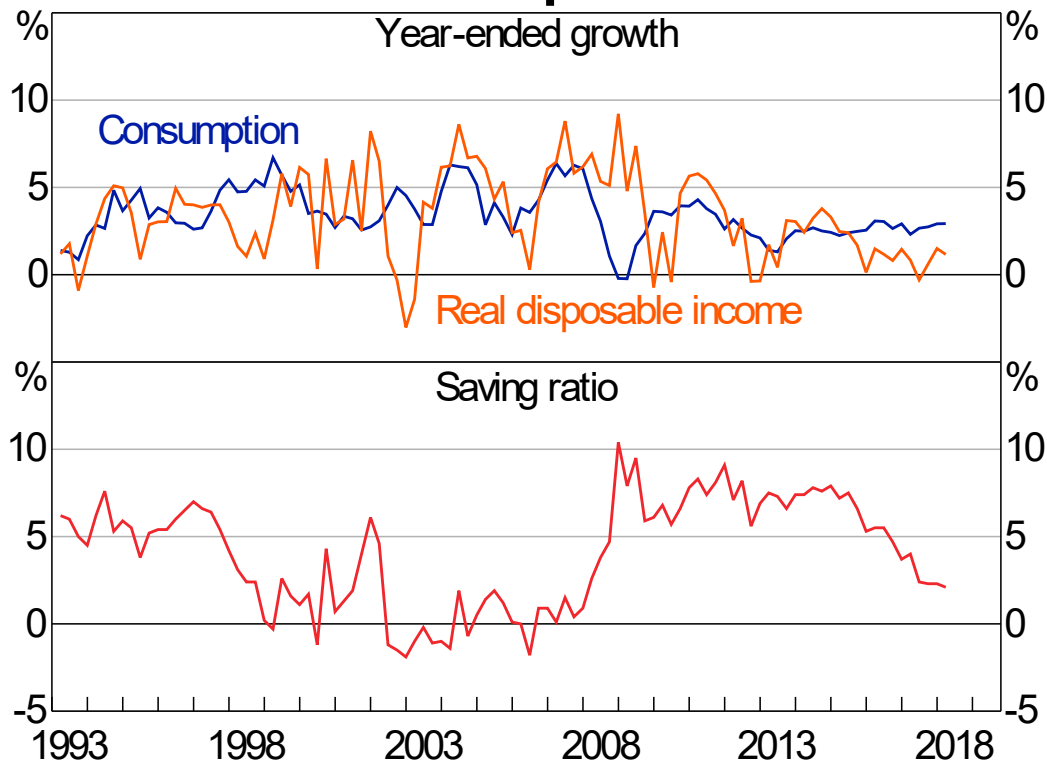


* Adjusted for second-hand asset transfers between the public and other sectors

Sources: ABS; RBA



Household Consumption and Income*

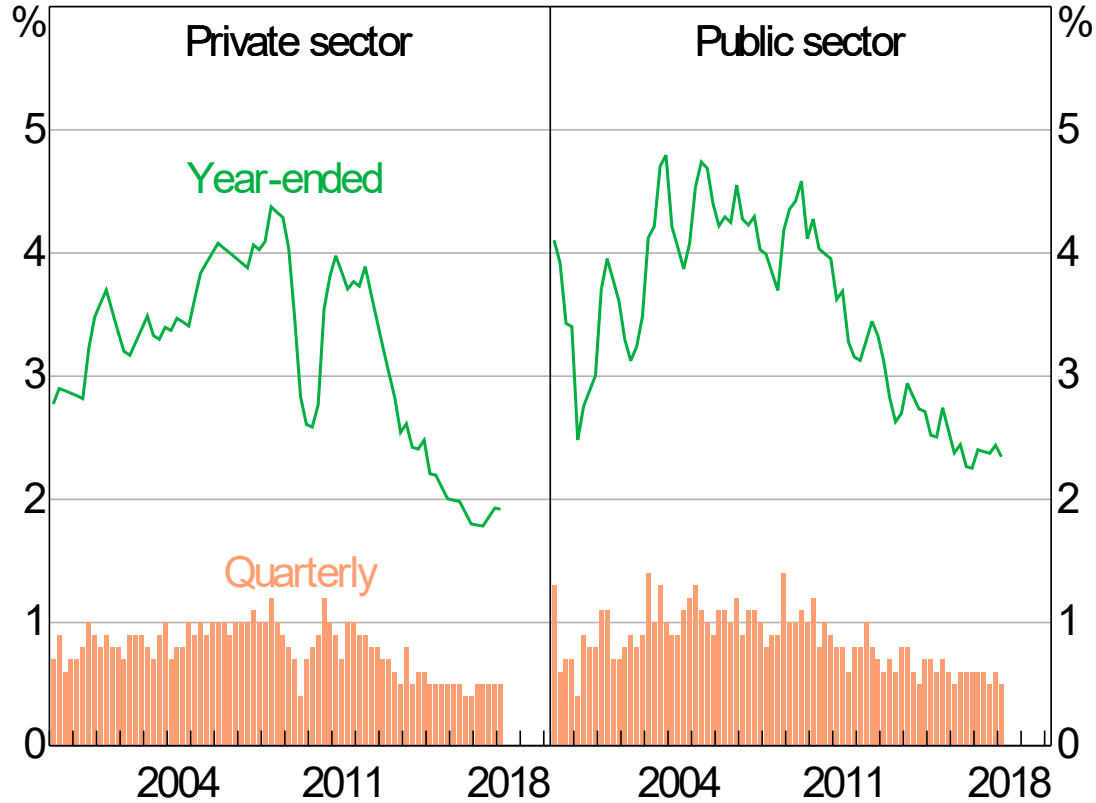


* Disposable income is after tax and interest payments; saving ratio is net of depreciation

Sources: ABS; RBA



Wage Price Index Growth*



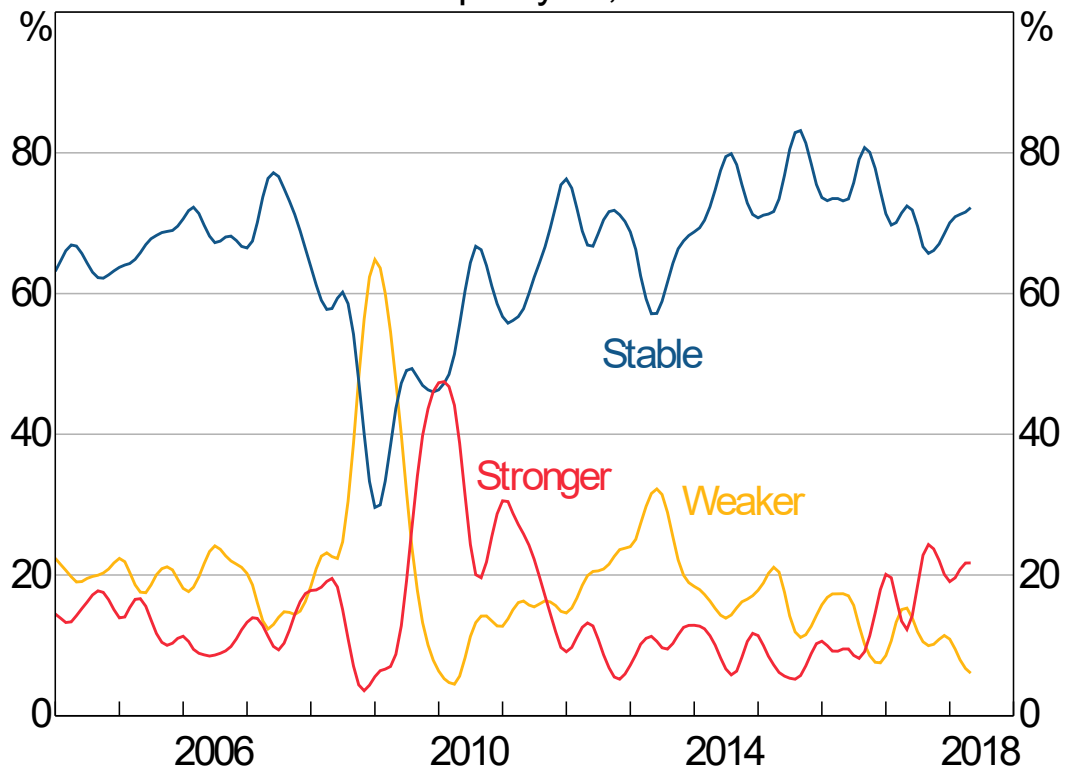
* Excluding bonuses

Source: ABS



Expectations for Wages Growth*

Relative to the past year, share of firms



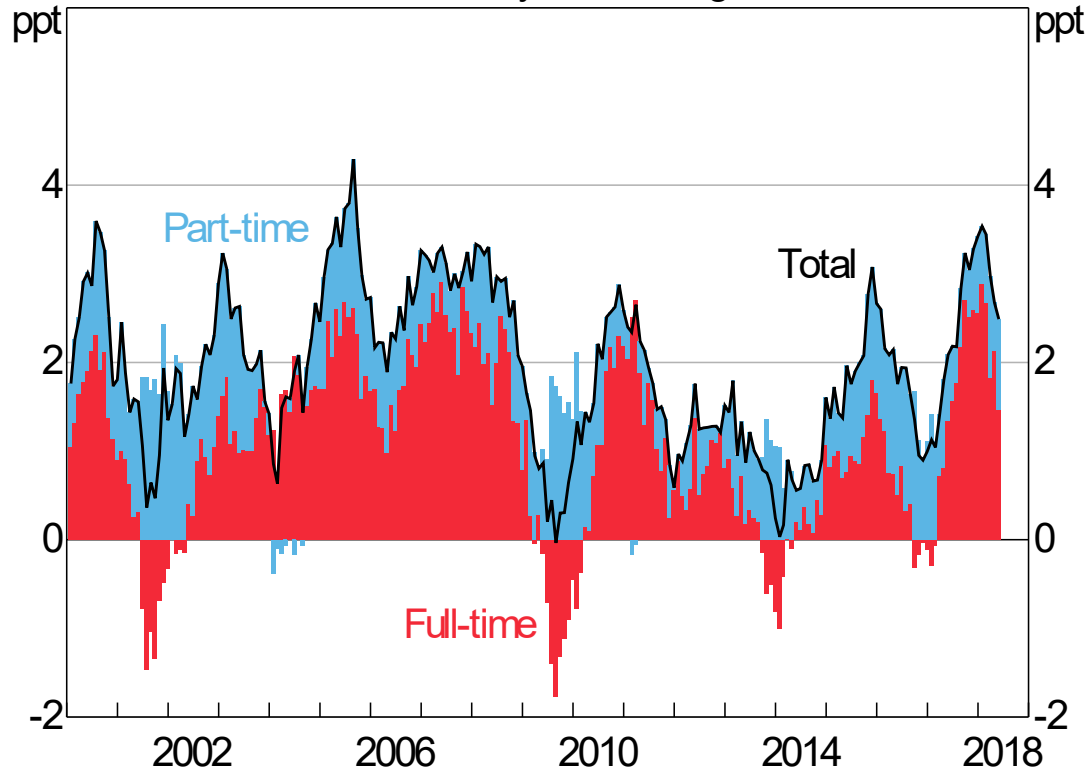
* 13-term Henderson trend

Source: RBA



Employment

Contribution to year-ended growth

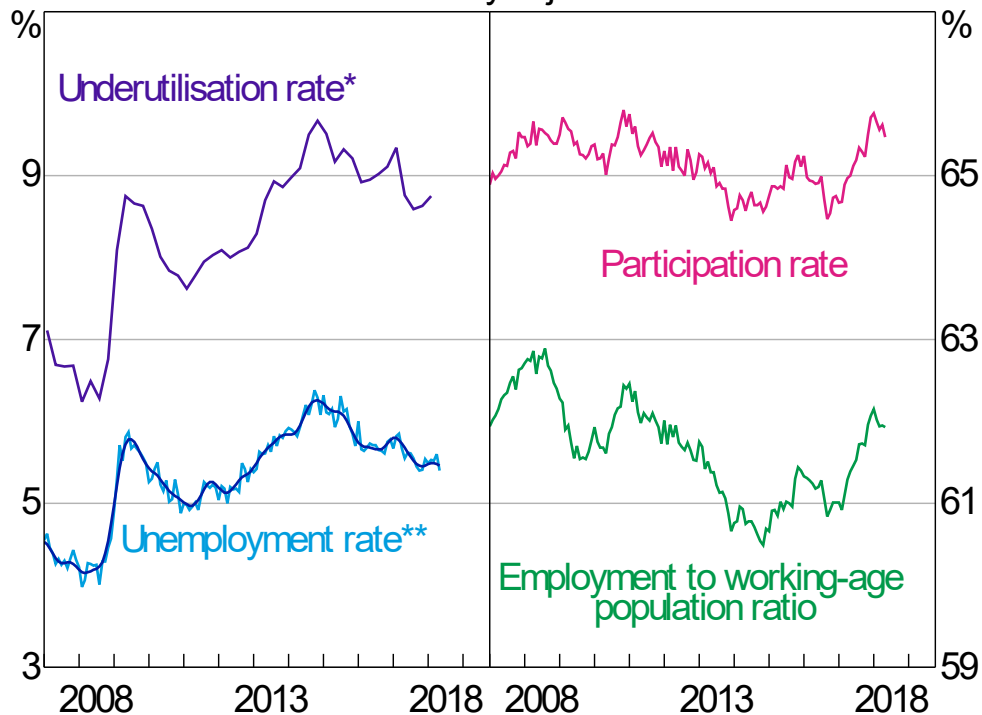


Source: ABS



Labour Market

Seasonally adjusted



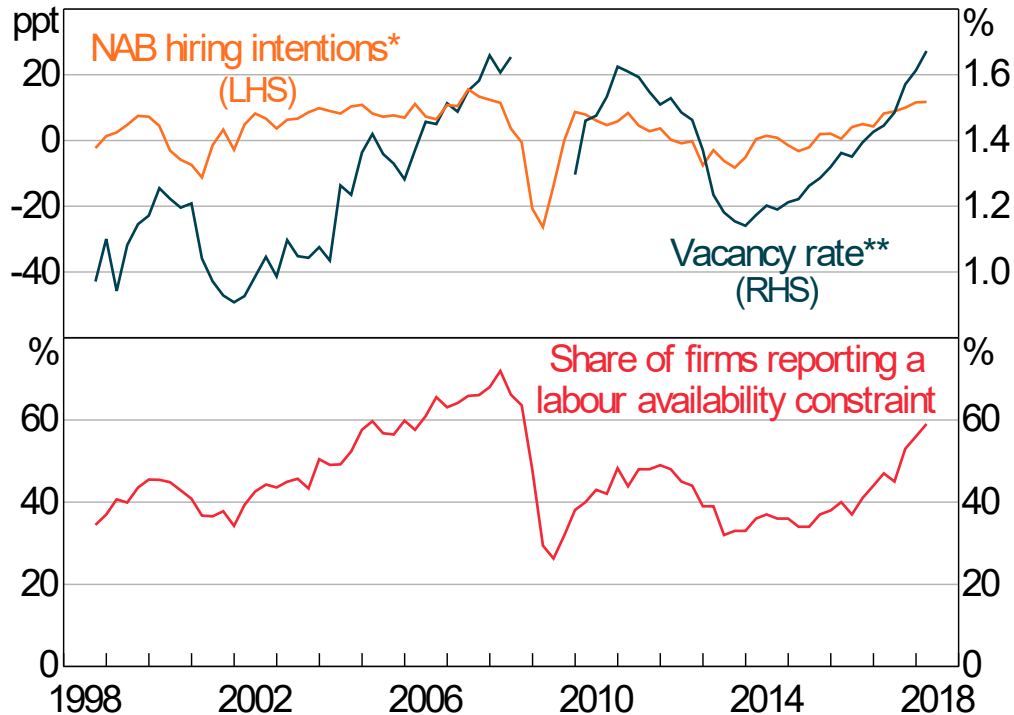
* Hours-based measure

** Trend unemployment in dark blue

Sources: ABS; RBA



Labour Demand Indicators



* Net balance of employment intentions for the following period; deviation from average

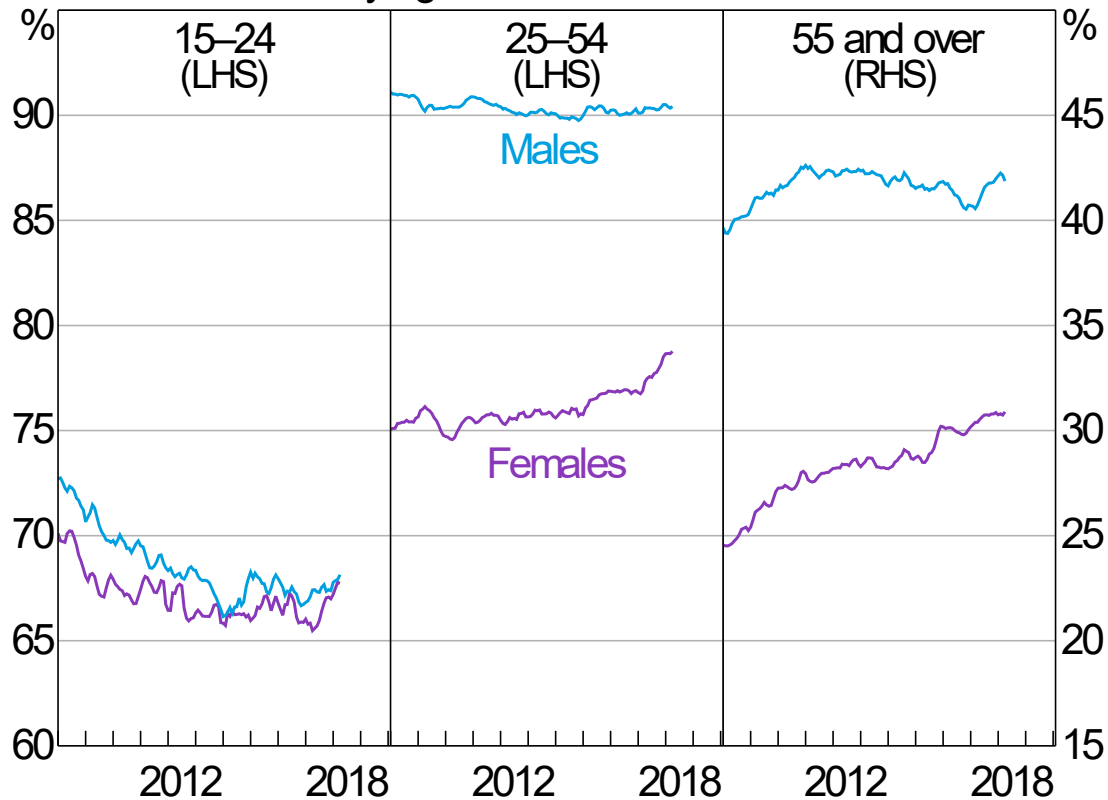
** Vacancies as a per cent of the labour force; this survey was suspended between May 2008 and November 2009

Sources: ABS; NAB; RBA



Participation Rate

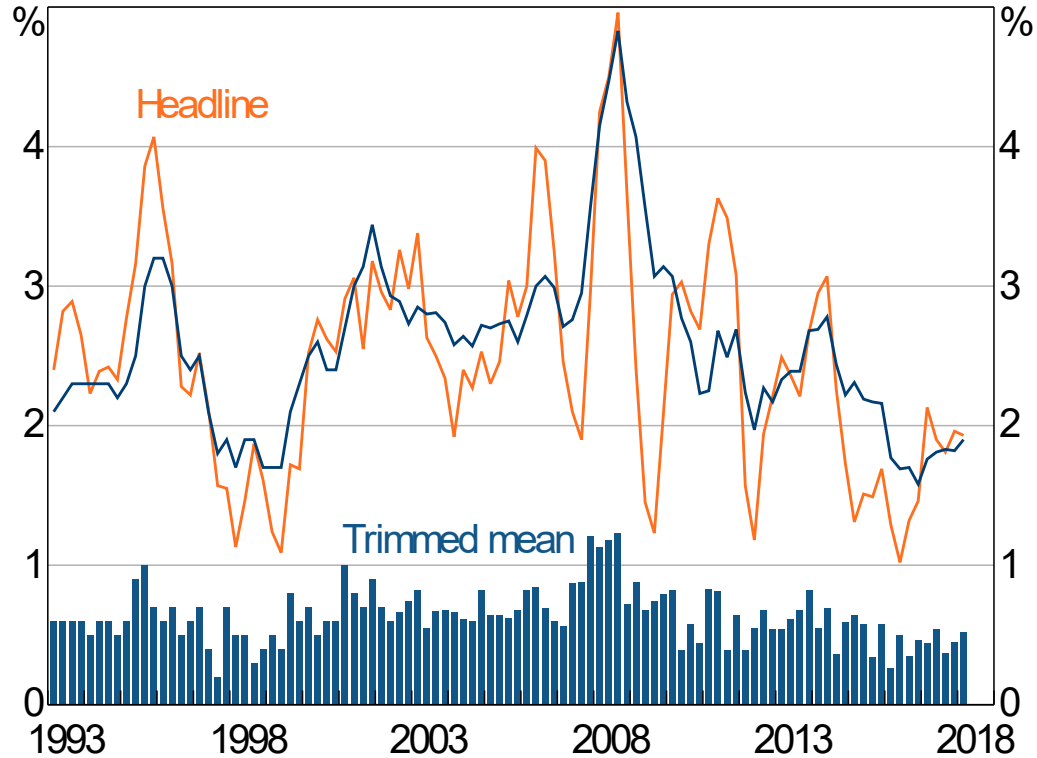
By age and sex, smoothed



Sources: ABS; RBA



Consumer Price Inflation*



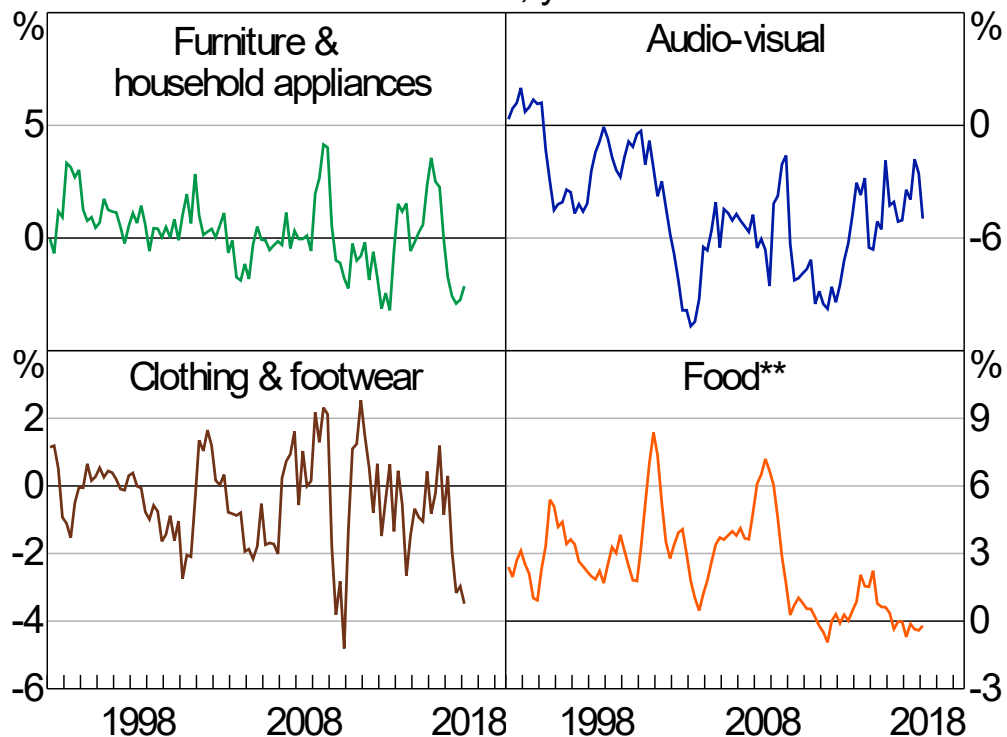
* Excludes interest charges prior to the September quarter 1998; adjusted for the tax changes of 1999-2000

Sources: ABS; RBA



Consumer Durables and Food Inflation*

Selected items, year-ended



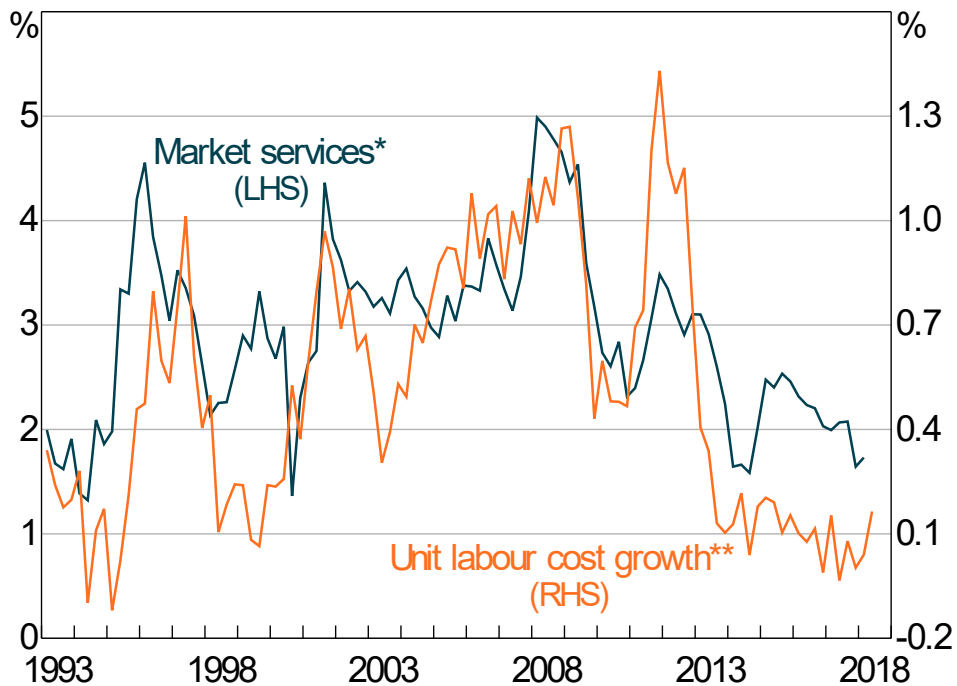
* Adjusted for the tax changes of 1999–2000

** Excludes fruit, vegetables and meals out & take-away

Sources: ABS; RBA



Market Services Inflation



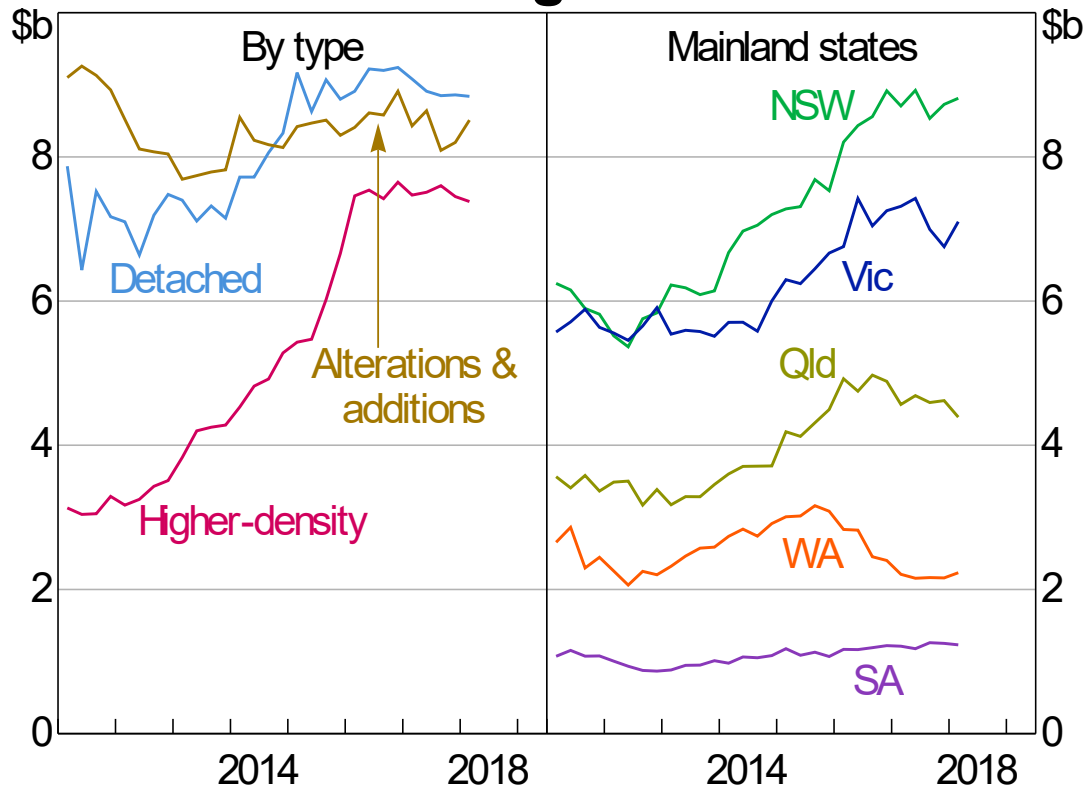
* Year-ended; includes household services, meals out & take-away and insurance & financial services; adjusted for the tax changes of 1999–2000

** Quarterly; non-farm; eight-quarter moving average; moved forward by two quarters

Sources: ABS; RBA



Real Dwelling Investment*



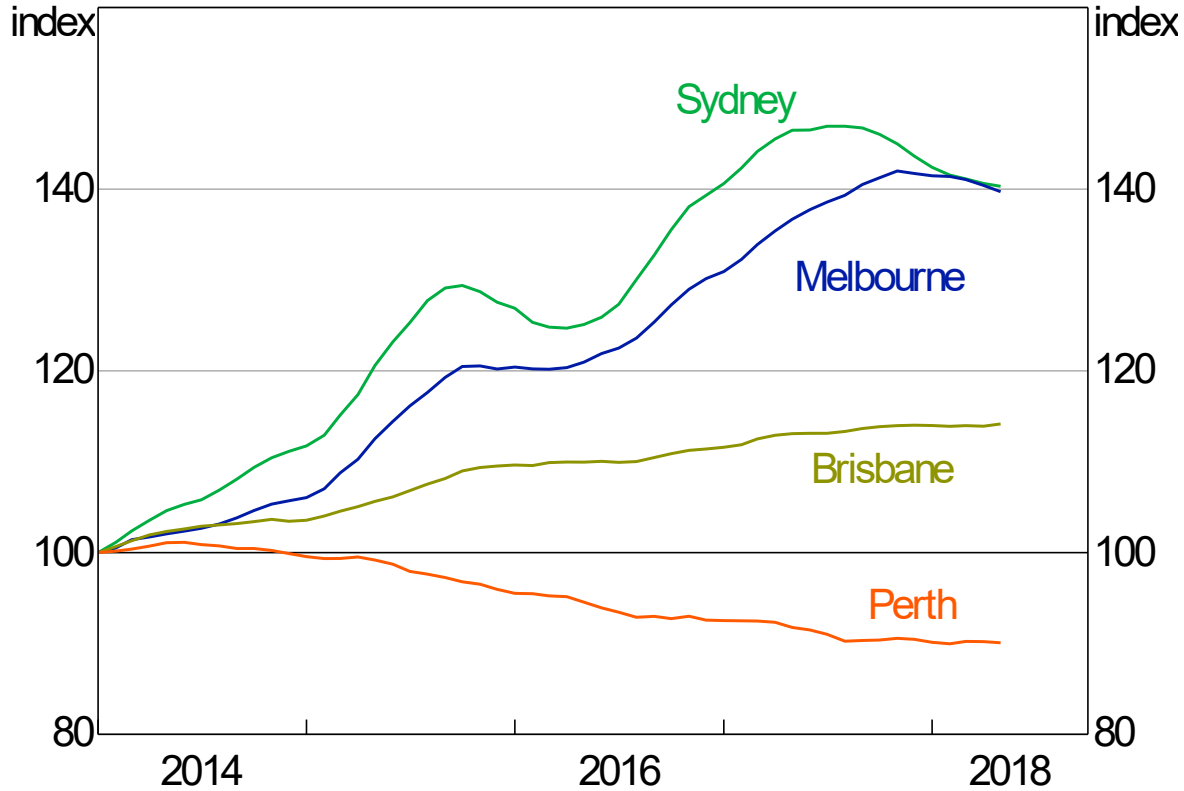
* Reference year is 2015/16

Source: ABS



Housing Prices

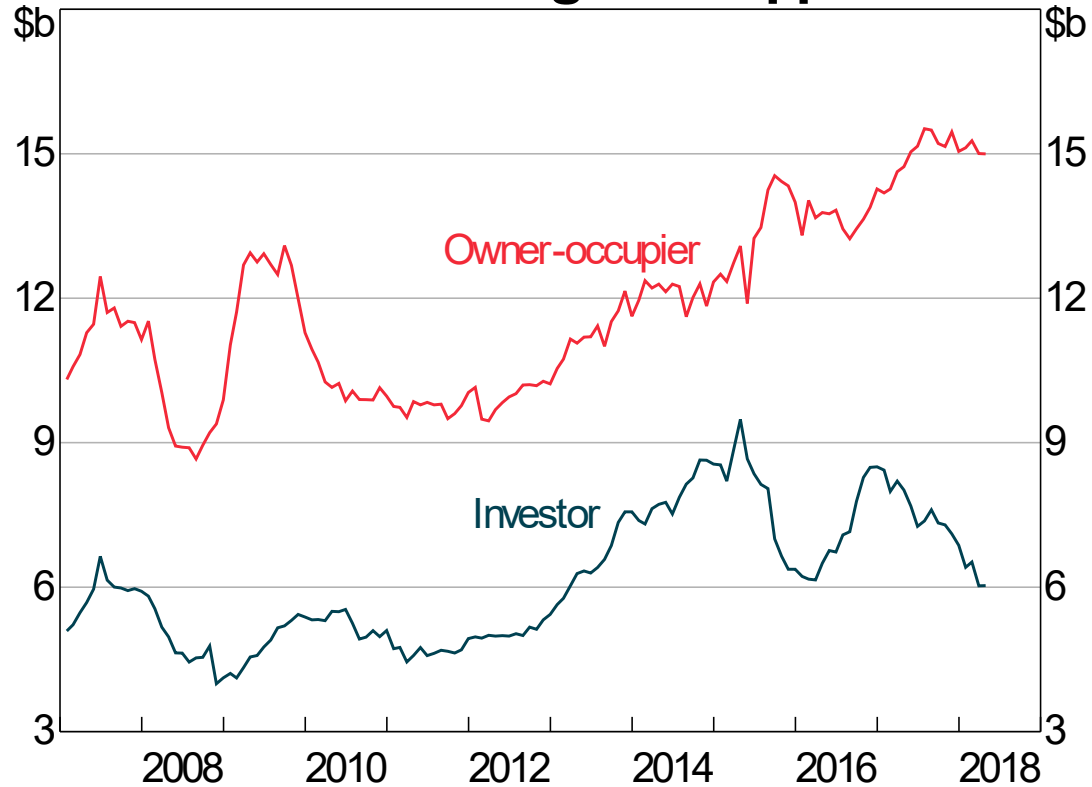
January 2014 = 100



Sources: CoreLogic; RBA



Household Housing Loan Approvals*

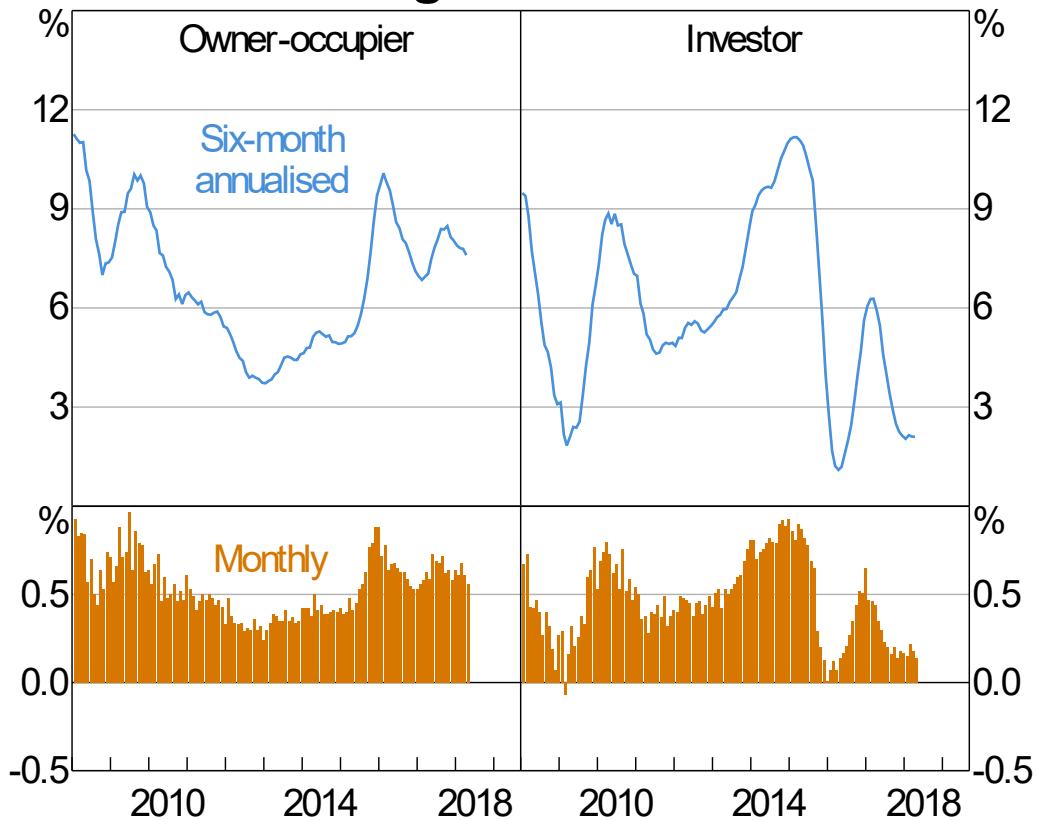


* Seasonally adjusted; excludes refinancing

Sources: ABS; RBA



Housing Credit Growth*



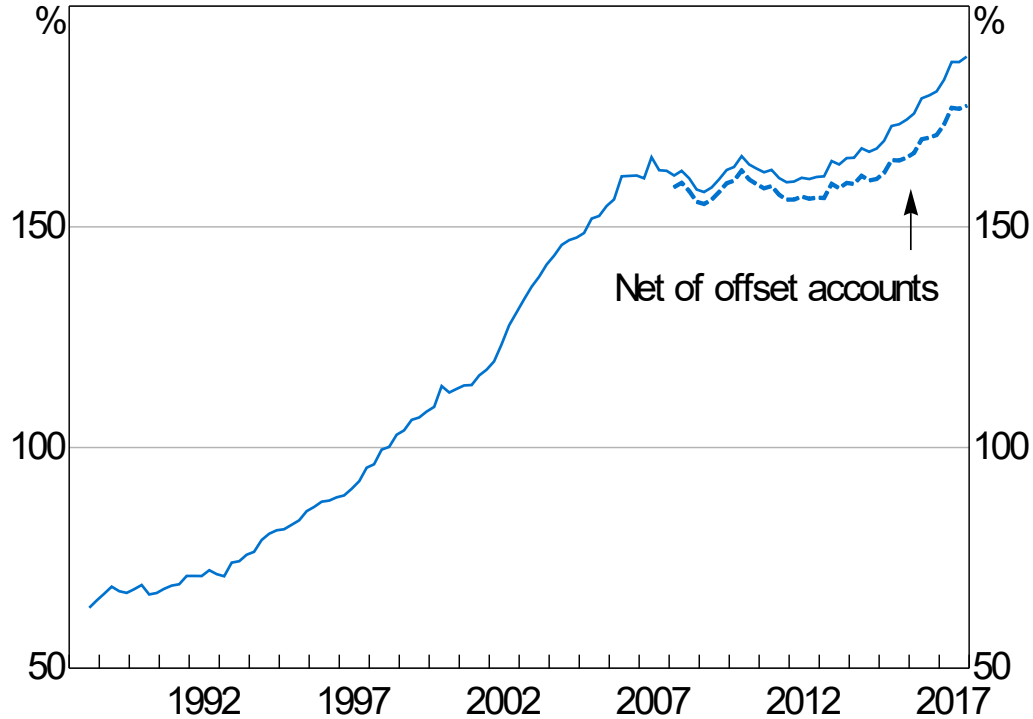
* Seasonally-adjusted and break-adjusted

Sources: APRA; RBA



Household Debt*

Per cent of annual household disposable income

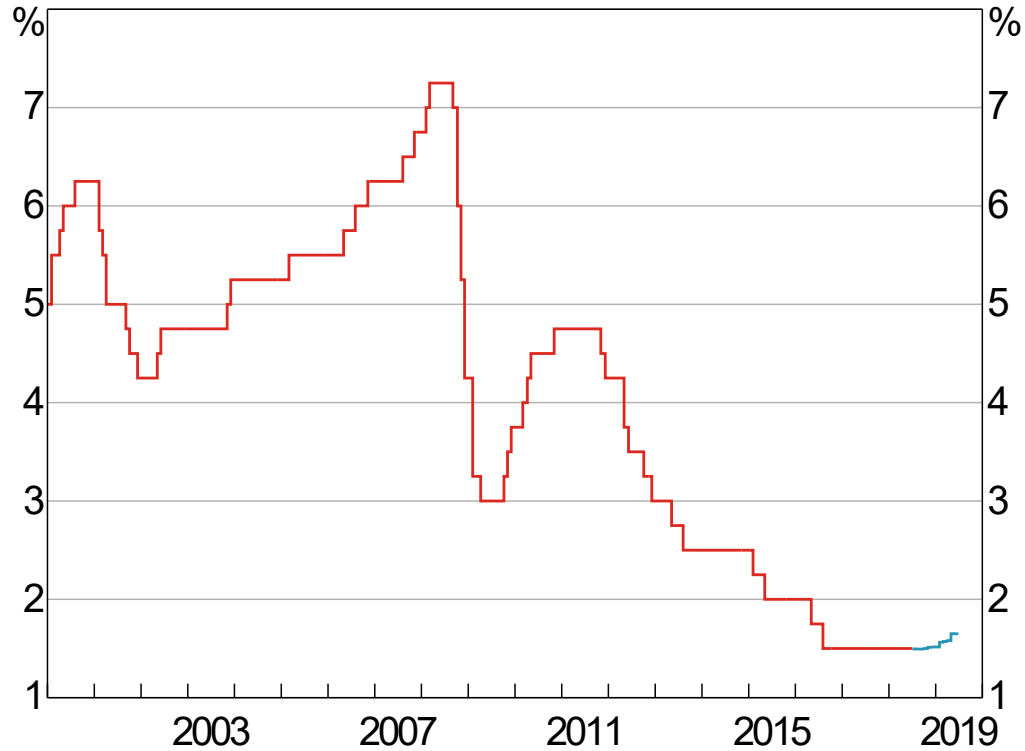


* Household disposable income is after tax, before the deduction of interest payments and includes income of unincorporated enterprises

Sources: ABS; APRA; RBA



Cash Rate*



* Data from July 2018 onwards are expectations derived from interbank cash rate futures

Sources: ASX; Bloomberg