

Australian Markets Weekly

Underemployment likely here to stay

- For this week, our feature article is on underemployment and what this means for excess capacity in the labour market. We find that recent trends in underemployment appear to be mainly driven by older male workers, while recent part-time employment growth has been driven by those working on average 20-29 hours a week – a 60-80% equivalent full-time load. Those two facets suggest underemployment statistics may remain at elevated levels and importantly may overstate the degree of spare capacity in the labour market.
- Marketwise, a near-term US interest rate hike is firmly on the agenda with US Fed Chair Yellen stating on Friday “I believe the case for an increase in the federal funds rate has strengthened in recent months”.
- For the week ahead: The US Manufacturing ISM Thursday and US Payrolls Friday will be the major global risk events, with these two pieces key to determining the timing of when (or if) the US decides to lift interest rates this year – and possibly as early as September. China releases its key PMI data on Thursday, while domestically the most market sensitive data prints are Retail Sales and Capital Expenditure on Thursday. There is also plenty of second tier data, including Building Approvals Tuesday and RBA Credit Statistics Wednesday.

Recent developments

The major development for markets last week was confirmation that the US Federal Reserve is looking to hike interest rates this year. US Fed Chair Yellen stated on Friday “I believe the case for an increase in the federal funds rate has strengthened in recent months”. Those remarks were then followed by her deputy, vice-chair Fischer who answered “yes” to the question of the possibility of two rate hikes this year!

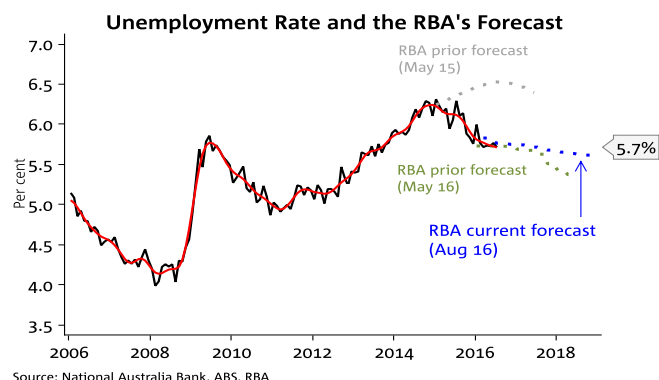
NAB currently expects the US Fed to raise rates in December, though an earlier September hike could be a possibility depending on the strength of incoming data – something that Chair Yellen reminded markets of: “of course, our decision always depend on the degree to which incoming data continues to confirm the Committee’s outlook”. Against that backdrop, the Australian dollar depreciated by 1.1% to end the week at \$US0.75.

Key markets over the past week

	Last	% chg week		Last	bp / % chg week
AUD	0.7539	-1.1	RBA cash	1.50	0
AUD/CNY	5.10	0.6	3y swap	1.64	1
AUD/JPY	76.9	0.4	ASX 200	5,481	-0.6
AUD/EUR	0.673	-0.1	Iron ore	59.1	-3.0
AUD/NZD	1.043	-0.5	WTI oil	47.2	-0.4

Source: Bloomberg

Chart 1: RBA less optimistic on the labour market



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Apart from Yellen's comments, the past week has been relatively quiet given the Northern Hemisphere summer holiday season and the lack of new domestic data. Domestically, profit reporting season has dominated headlines with most in line with expectations and the ASX ended the week down 0.6%.

Key for the outlook for inflation (and interest rates), most retailers continue to report a focus on prices. Supermarkets Woolworths and Coles recommitted to investing in lower prices despite falling margins, while department store David Jones noted that it had made July an extra clearance month. That suggests the subdued inflationary environment is likely to continue for some time, and partly underpins NAB's view of the RBA cutting rates twice in 2017.

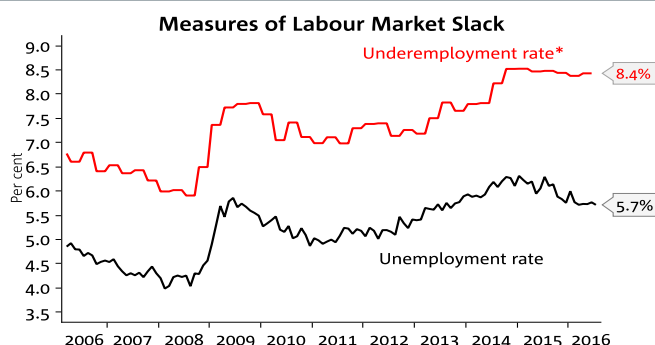
Underemployment likely here to stay due to older workers

The RBA downgraded its outlook for the labour market in the August Statement on Monetary Policy (SoMP), with the unemployment rate now expected to remain broadly steady at current levels, instead of declining further (Chart 1).

It appears some of that reassessment was driven by the RBA's observation that "conditions in the labour market had been more mixed of late" with RBA Board members noting in July that the "underemployment rate (which captures those who are employed but wanting and available to work more hours) had not fallen to the same extent as the unemployment rate" (Chart 2).

In contrast, forward indicators of the labour market have continued to be positive, with the NAB Business Survey employment index suggesting of employment growth of around 18k a month. Given the disparity between underemployment and still positive forward indicators, we decided to delve into what is driving underemployment in the labour market and what exactly underemployment is telling us.

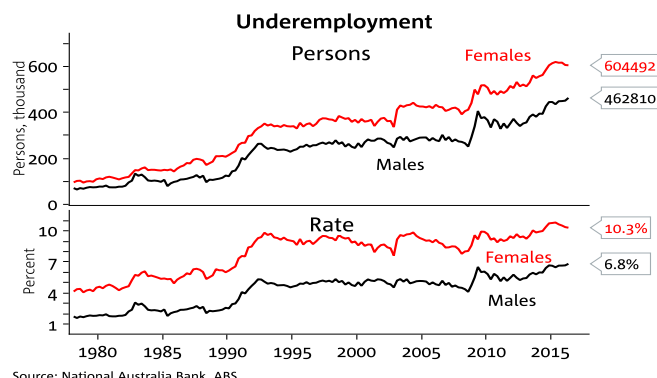
Chart 2: Underemployment has not declined as much as UR



Underemployment rising amongst older (male) workers

Underemployment can be split along age and gender lines. Doing so reveals that the rate of female underemployment at 10.3% is considerably higher than male underemployment of 6.8%. While female underemployment is higher, it has been on a very slight trend decline since mid-2015, while male underemployment has been rising over the same period (Chart 3).

Chart 3: Underemployment is rising for male workers



Analysis of age groups reveals that underemployment is increasing sharply for males aged 55 years and over (Chart 4). Around 80,000 male 55 year olds are working less hours than they would like, a 40% increase since 2012! With older workers increasingly more likely to participate in the labour force as age requirements for the pension and access to super increase, it is likely that underemployment will continue to increase.

Chart 4: Older male underemployment rising

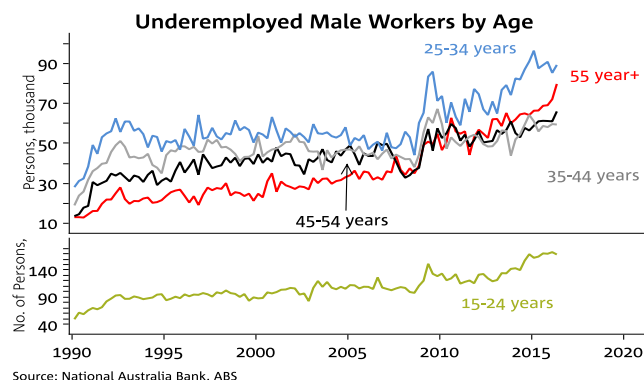
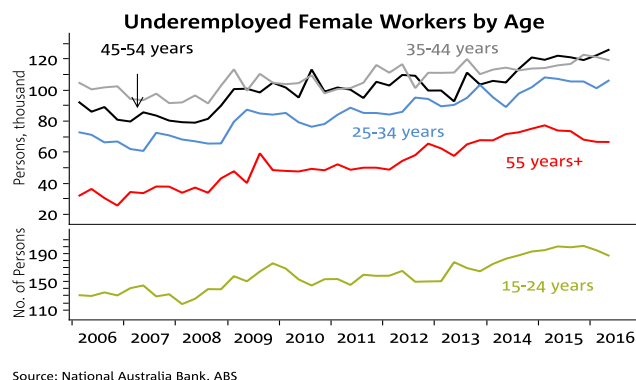


Chart 5: Female underemployment more mixed



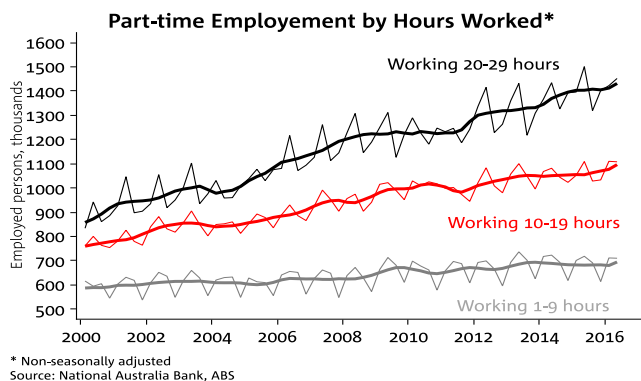
Underemployment amongst female workers is more mixed, with underemployment actually declining amongst those aged 55 years and over, and those aged 15-24 years. In contrast, underemployment continues to grow slightly amongst other age groups.

Recent part-time surge driven by those working 20-29 hours

Most recent part-time employment growth appears to be driven by those being employed for 20-29 hours a week.

That represents a 60-80% equivalent full-time work load. While there is no doubt many in this category would like to work more hours, it does suggest that recent part-time jobs growth appears to be driven by those with a relatively high level of potential hours being utilised. That may also mean inferring levels of excess capacity from the underemployment rate may not be as straight forward as first thought. As chart 6 shows, there does not appear to have been any dramatic shift in these trends in recent months or years.

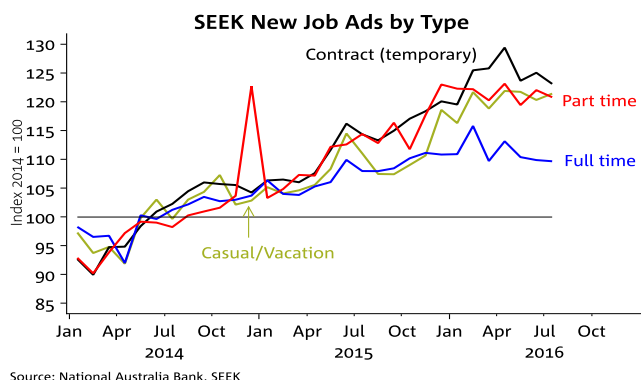
Chart 6: Part-time growth strongest in the 20-29 hour jobs



Greater part time employment may also reflect people wanting to work part-time as well as employer preferences

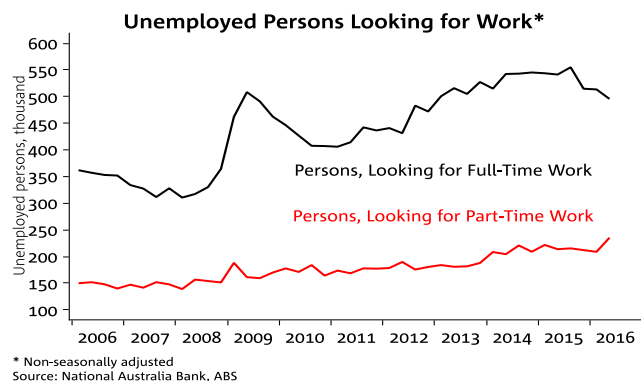
There is some presumption that part-time employment is a less worthy form of employment with the RBA noting recently that the shift of employment growth towards part time may reflect “a cautious approach by firms to hiring and/or a means for them to increase labour in a way that contains costs”, as well as growth in industries that tend to employ part-time workers.

Chart 7: Job ads growth being driven by non full-time ads



SEEK job ads reveal that potential employers are increasingly demanding non full-time workers (Chart 7), with part-time job ads growing stronger than full-time job ads. However, it would be incorrect to solely attribute part-time employment growth solely to employers. Amongst job seekers, there has also been an increasing trend in those exclusively looking for part-time work (Chart 8). Again, gender also reveals that female unemployed workers appear to be those driving that trend.

Chart 8: More unemployed looking for part-time positions

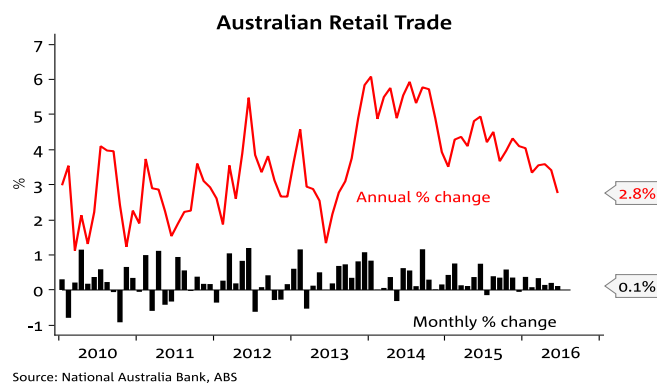


Week ahead: US ISM and Payrolls; local focus on Retail Sales and Capex

The most market-sensitive domestic data releases this week are Q2 Capital Expenditure (Capex) and Retail Sales, both out on Thursday. There is also plenty of second-tier data, including weekly Consumer Confidence and Building Approvals Tuesday, RBA Credit Statistics Wednesday, and a speech by the RBA's Debelle on Thursday.

For Retail Sales, NAB is forecasting a flat outcome for July, below the current market consensus of 0.3% m/m. While the NAB Business Survey for July suggested there should be some growth, recent reports from the current profit reporting season have been more mixed. One major supermarket chain had a strike affecting distribution in mid-July, while other retailers have reported difficult trading conditions with David Jones having July as an additional clearance month.

Chart 9: Retail sales were soft in June; to continue in July?



The other major domestic release is the Capex report, which comes out at the same time as Retail Sales. The Capex data is a key input into next week's GDP data, as well as providing expectations for spending in 2016-17. NAB looks for a decline of 8% in the volume of capital spending for the quarter, driven by a continued unwind in mining investment, which is weaker than the current market consensus of a 4.1% decline. As for expectations for 2016-17 spend, NAB expects some upward revision from \$89.2bn to \$97.6bn, similar to the market consensus of a \$97bn. That spending figure when adjusted for historical realised spend is equivalent to mining investment declining by 30% in 2016-17 and for non-mining investment to remain broadly flat.

Of the second-tier domestic data, NAB is expecting Building Approvals to continue their recent decline, looking for a 2% decline in the month, a bit below the market consensus of a 1.1% rise, while for the RBA Credit Statistics, NAB is the same as the market consensus expecting a 0.4% m/m increase. The RBA's Guy Debelle is speaking at an FX conference on Thursday, though this is unlikely to be market moving.

Of the international data, the US ISM Thursday and US Payrolls Friday will be the most important events, with these two pieces key to determining the timing of when the US Federal Reserve lifts interest rates again as was suggested by Fed Chair Yellen on Friday: "I believe the case for an increase in the federal funds rate has strengthened in recent months. Of course, our decisions always depend on the degree to which incoming data continues to confirm the Committee's outlook".

Also of note will be China's PMIs out Thursday with both the official manufacturing and non-manufacturing PMIs due, followed later in the day by the Caixin manufacturing measure.

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Calendar of Economic Releases

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEST
Monday, 29 August 2016								
UK	Nationwide House PX MoM/YoY	Aug		-0.2		0.5/5.2	29 Aug-4 Sep	
AU	HIA New Home Sales MoM	Jul				-1.8	1.00	11.00
US	Personal Income/Spending	Jul		0.4/0.3		0.2/0.4	12.30	22.30
US	Real Personal Spending	Jul		0.2		0.3	12.30	22.30
US	PCE Deflator MoM/YoY	Jul		0/0.8		0.1/0.9	12.30	22.30
US	PCE Core MoM/YoY	Jul		0.1/1.5		0.1/1.6	12.30	22.30
CA	Bloomberg Nanos Confidence	Aug 26				59.9	14.00	0.00
US	Dallas Fed Manf. Activity	Aug		-3.9		-1.3	14.30	0.30
Tuesday, 30 August 2016								
NZ	Building Permits MoM	Jul				16.3	22.45	8.45
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Aug 28				121.8	23.30	9.30
JN	Jobless Rate/Jobs-to-applicants ratio	Jul		3.1/1.38		3.1/1.4	23.30	9.30
JN	Overall Household Spending YoY	Jul		-1.5		-2.2	23.30	9.30
JN	Retail Sales MoM/YoY	Jul		0.8		0.2/-1.4	23.50	9.50
AU	Building Approvals MoM	Jul	-2.0/-11.0	1.1/-8.3		-2.9/-5.9	1.30	11.30
AU	NAB Online Retail Sales Index MoM/YoY	Jul				0.8/13.5	1.30	11.30
UK	Mortgage Approvals	Jul		61.9		64.8	8.30	18.30
EC	Business Climate Indicator	Aug		0.36		0.4	9.00	19.00
GE	CPI EU Harmonized MoM	Aug P		0.1		0.4	12.00	22.00
CA	Current Account Balance	2Q		-20.35		-16.8	12.30	22.30
CA	Industrial Product Price MoM	Jul		-0.5		0.6	12.30	22.30
US	S&P CoreLogic CS 20-City MoM/YoY	Jun		-0.1/5.1		-0.1/5.2	13.00	23.00
US	Consumer Confidence Index	Aug		97		97.3	14.00	0.00
Wednesday, 31 August 2016								
UK	Lloyds Business Barometer	Aug				29.0	23.10	9.10
UK	GfK Consumer Confidence	Aug		-8		-12.0	23.50	9.50
JN	Industrial Production MoM	Jul P		0.8		2.3	23.50	9.50
NZ	ANZ Activity Outlook/Business Confidence	Aug				31.4/16.0	1.00	11.00
AU	RBA's Debelle Gives Speech at FX Week Asia, Singapore						1.00	11.00
AU	Private Sector Credit MoM	Jul	0.4/6.1	0.4/6.1		0.2/6.2	1.30	11.30
CH	Westpac-MNI Consumer Sentiment	Aug				114.0	1.45	11.45
NZ	Credit aggregates, household YoY	Jul				8.3	3.00	13.00
JN	Small Business Confidence	Aug				47.8	5.00	15.00
US	Fed's Rosengren speaking in Beijing						7.15	17.15
GE	Unemployment Change (000's)	Aug		-4		-7.0	7.55	17.55
EC	Unemployment Rate	Jul		10		10.1	9.00	19.00
EC	CPI Estimate YoY/Core YoY	Aug		0.3/0.9		0.2/0.9	9.00	19.00
US	Fed's Kashkari Speaks on Fed Structure in St. Paul						12.00	22.00
US	ADP Employment Change	Aug		175		179.0	12.15	22.15
CA	GDP MoM/YoY	Jun		0.4/1		-0.6/1.0	12.30	22.30
CA	Quarterly GDP Annualized	2Q		-1.5		2.4	12.30	22.30
EC	ECB's Vileroy speaks in Frankfurt						12.45	22.45
US	Chicago Purchasing Manager	Aug		54.5		55.8	13.45	23.45
US	Pending Home Sales MoM/YoY	Jul		0.7/2.2		0.2/0.3	14.00	0.00
Thursday, 1 September 2016								
NZ	Terms of Trade Index QoQ	2Q	0.8	-1.5		4.4	22.45	8.45
AU	AiG Perf of Mfg Index	Aug				56.4	23.30	9.30
JN	Capital Spending Ex Software	2Q		5.5		4.3	23.50	9.50
JN	Company Profits/Sales	2Q				-9.3/-3.3	23.50	9.50
AU	CoreLogic House Px MoM	Aug	0.6			0.5	0.00	10.00
CH	Manufacturing/Non-manufacturing PMI	Aug		49.8/		49.9/53.9	1.00	11.00
AU	Private Capital Expenditure	2Q	-8.0	-4		-5.2	1.30	11.30
AU	Private Capex, 3rd estimate 2016-17, \$Abn		97.6	97.0		89.2	1.30	11.30
AU	Retail Sales MoM	Jul	0.0	0.3		0.1	1.30	11.30
CH	Caixin China PMI Mfg	Aug		50.1		50.6	1.45	11.45
JN	Nikkei Japan PMI Mfg	Aug F				49.6	0.30	10.30
AU	Commodity Index AUD/YoY	Aug				90.5/-2.0	6.30	16.30
GE	Markit/BME Germany Manufacturing PMI	Aug F		53.6		53.6	7.55	17.55
EC	Markit Eurozone Manufacturing PMI	Aug F		51.8		51.8	8.00	18.00
UK	Markit UK PMI Manufacturing SA	Aug		49		48.2	8.30	18.30
US	Challenger Job Cuts YoY	Aug				-57.1	11.30	21.30
US	Nonfarm Productivity/Unit labour costs	2Q F		-0.6/2.1		-0.5/2.0	12.30	22.30
US	Initial Jobless Claims	Aug 27		265		261	12.30	22.30
CA	RBC Canadian Manufacturing PMI	Aug				51.9	13.30	23.30
US	Markit US Manufacturing PMI	Aug F		52.1		52.1	13.45	23.45
US	Wards Total Vehicle Sales	Aug		17.2		17.8		
US	Construction Spending MoM	Jul		0.5		-0.6	14.00	0.00
US	ISM Manufacturing	Aug		52		52.6	14.00	0.00
EC	ECB's Nowotny speaks in Austria						16.00	2.00
US	Fed's Mester speaks to Kentucky Philanthropy Initiative						16.25	2.25
Friday, 2 September 2016								
NZ	Value of All Buildings SA QoQ	2Q	1.0	2		5.3	22.45	8.45
JN	Consumer Confidence Index	Aug		41.8		41.3	5.00	15.00
UK	Markit/CIPS UK Construction PMI	Aug		46.5		45.9	8.30	18.30
US	Trade Balance	Jul		-42		-44.5	12.30	22.30
CA	Labor Productivity QoQ	2Q		-0.4		0.4	12.30	22.30
CA	Int'l Merchandise Trade	Jul		-3.2		-3.6	12.30	22.30
US	Change in Nonfarm Payrolls/Unemployment rate	Aug		180/4.8		255.0/4.9	12.30	22.30
US	Average Hourly Earnings MoM/YoY	Aug		0.2/2.5		0.3/2.6	12.30	22.30
US	ISM New York	Aug				60.7	13.45	23.45
US	Factory Orders	Jul		2		-1.5	14.00	0.00
US	Cap Goods Orders Nondef Ex Air (revised)	Jul F				1.6	14.00	0.00
US	Fed's Lacker speaks on Interest Rate Benchmarks in Richmond						17.00	3.00
Upcoming Central Bank Interest Rate Announcements								
Canada, BoC		7-Sep				0.50%		
Australia, RBA		6-Sep	1.50%			1.50%		
Europe ECB		8-Sep				0.00%		
UK BOE		15-Sep				0.25%		
Japan, BoJ		21-Sep				-0.1% to +0.1%		
US Federal Reserve		22-Sep				0.25-0.50%		
New Zealand, RBNZ		22-Sep	2.00%	2.00%		2.00%		

GMT: Greenwich Mean Time; AEST: Australian Eastern Standard Time

Forecasts

Economic Forecasts

	Annual % change				Quarterly % change															
	2015	2016	2017	2018	2015				2016				2017				2018			
Australia Forecasts					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption	2.8	2.9	2.4	2.4	0.6	0.6	0.9	0.8	0.7	0.7	0.7	0.5	0.6	0.6	0.7	0.5	0.6	0.6	0.6	0.6
Underlying Business Investment	-10.5	-13.1	-7.8	1.4	-3.3	-2.4	-6.0	-2.7	-3.4	-2.0	-3.0	-3.0	-2.1	-1.5	-1.3	0.1	1.0	1.0	0.8	0.8
Residential Construction	9.8	5.5	0.4	-3.3	4.3	1.0	1.5	2.8	1.4	0.6	0.6	0.1	0.2	0.2	-0.7	-0.6	-1.3	-1.0	-0.8	-0.7
Underlying Public Spending	2.1	2.5	2.6	2.6	1.0	2.4	-0.9	1.4	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7
Exports	5.9	9.4	9.4	5.5	3.2	-3.4	5.3	0.4	4.4	1.1	2.4	2.6	2.4	2.3	2.3	1.5	1.1	1.0	0.6	0.9
Imports	1.5	-0.2	1.9	3.3	3.4	0.0	-1.7	0.5	-0.8	1.6	-0.1	0.1	0.4	0.7	0.6	0.7	0.9	0.9	0.9	0.9
Net Exports (a)	1.0	2.1	1.8	0.7	0.0	-0.8	1.5	0.0	1.1	-0.1	0.6	0.6	0.5	0.4	0.5	0.2	0.1	0.1	0.0	0.1
Inventories (a)	0.1	0.0	-0.1	0.0	0.4	0.0	-0.2	0.0	0.1	0.0	-0.1	-0.1	0.0	0.0	0.0	0.1	0.0	0.1	0.0	-0.1
Domestic Demand - qtr%					0.3	0.6	-0.3	0.5	0.1	0.4	0.3	0.1	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.5
Dom Demand - ann %	1.1	0.9	1.2	1.9	0.7	1.4	1.1	1.1	0.9	0.6	1.2	0.9	1.1	1.1	1.2	1.5	1.7	1.8	2.0	2.1
Real GDP - qtr %					0.8	0.3	1.0	0.7	1.1	0.3	0.7	0.7	0.8	0.8	0.8	0.7	0.6	0.6	0.5	0.5
Real GDP - ann %	2.5	2.9	2.9	2.6	2.3	2.1	2.7	2.9	3.1	3.1	2.8	2.7	2.4	3.0	3.1	3.1	2.9	2.7	2.4	2.2
CPI headline - qtr %					0.2	0.7	0.5	0.4	-0.2	0.3	0.9	0.7	0.9	0.5	0.8	0.5	0.8	0.4	0.8	0.5
CPI headline - ann %	1.5	1.3	2.8	2.6	1.3	1.5	1.5	1.7	1.3	1.0	1.4	1.7	2.7	2.9	2.8	2.6	2.6	2.5	2.5	2.6
CPI underlying - qtr %					0.6	0.5	0.3	0.5	0.2	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.6
CPI underlying - ann %	2.2	1.6	1.9	1.9	2.3	2.2	2.1	2.0	1.5	1.5	1.7	1.7	2.0	1.9	1.9	1.8	1.8	1.8	1.9	2.0
Wages (Pvte WPI - ann %)	2.1	1.9	1.9	2.5	2.3	2.2	2.1	2.0	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	2.2	2.4	2.6	2.8
Unemployment Rate (%)	6.0	5.8	5.7	5.6	6.2	6.0	6.2	5.9	5.9	5.7	5.7	5.8	5.7	5.7	5.7	5.6	5.6	5.6	5.6	5.6
Terms of trade	-11.5	-6.6	-4.5	-0.6	-2.7	-4.1	-2.8	-3.2	-1.9	2.4	-2.3	-2.2	-1.4	-0.2	-0.5	-2.0	-0.3	-0.3	-1.2	-0.7
G&S trade balance, \$Abn	-35.9	-28.0	-20.7	-25.0	-5.3	-11.4	-8.3	-10.9	-8.1	-6.7	-6.6	-6.5	-6.2	-5.1	-4.2	-5.2	-5.3	-5.5	-6.8	-7.4
% of GDP	-2.2	-1.7	-1.2	-1.4	-1.3	-2.8	-2.0	-2.7	-2.0	-1.6	-1.6	-1.5	-1.4	-1.2	-0.9	-1.2	-1.2	-1.2	-1.5	-1.6
Current Account (% GDP)	-4.8	-4.7	-4.2	-4.4	-3.5	-5.3	-4.8	-5.5	-5.0	-4.6	-4.6	-4.6	-4.5	-4.2	-4.0	-4.2	-4.2	-4.3	-4.6	-4.7

Source: NAB Group Economics; (a) Contributions to GDP growth

Exchange Rate Forecasts

	29-Aug	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17
Majors						
AUD/USD	0.7552	0.77	0.75	0.73	0.72	0.70
NZD/USD	0.7238	0.72	0.70	0.68	0.68	0.67
USD/JPY	102.19	102	105	103	103	102
EUR/USD	1.1206	1.13	1.12	1.10	1.09	1.07
GBP/USD	1.3131	1.29	1.26	1.22	1.20	1.17
USD/CNY	6.6720	6.73	6.80	6.78	6.76	6.74
USD/CAD	1.3001	1.27	1.29	1.33	1.35	1.37

Australian Cross Rates

AUD/JPY	77.2	79	79	75	74	71
AUD/EUR	0.6739	0.68	0.67	0.66	0.66	0.65
AUD/GBP	0.5751	0.60	0.60	0.60	0.60	0.60
AUD/NZD	1.0434	1.07	1.07	1.07	1.06	1.04
AUD/CNY	5.0387	5.18	5.10	4.95	4.87	4.72
AUD/CAD	0.9818	0.98	0.97	0.97	0.97	0.96
AUD/CHF	0.7378	0.77	0.73	0.72	0.73	0.70

Interest Rate Forecasts

	29-Aug	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Aust rates							
RBA Cash rate	1.50	1.50	1.50	1.50	1.25	1.00	1.00
3 month bill rate	1.73	1.75	1.75	1.75	1.50	1.25	1.25
3 Year Swap Rate	1.63	1.6	1.6	1.4	1.3	1.5	1.6
10 Year Swap Rate	2.09	2.1	2.2	2.1	2.2	2.2	2.4
Offshore Policy Rates							
US Fed funds	0.50	0.50	0.75	0.75	1.00	1.00	1.25
ECB deposit rate	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
BoE repo rate	0.25	0.25	0.10	0.10	0.10	0.10	0.10
BoJ excess reserves rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
RBNZ OCR	2.00	2.00	1.75	1.50	1.50	1.50	1.50
China 1yr lending rate	4.35	4.35	4.35	4.10	4.10	4.10	4.10
China Reserve Ratio	17.0	15.5	15.0	15.0	15.0	15.0	15.0
10 Year Benchmark Bond Yields							
Australia	1.88	1.90	2.05	1.95	2.00	2.00	2.15
United States	1.61	1.50	1.75	1.75	2.00	2.00	2.25
New Zealand	2.28	2.10	2.15	2.35	2.55	2.55	2.75

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP

Dec year	2013	2014	2015	2016	2017	2018	20 Yr Avge
Australia	2.0	2.7	2.5	2.9	2.9	2.6	3.4
US	1.7	2.4	2.6	1.5	2.1	1.9	2.6
Eurozone	-0.3	0.9	1.6	1.4	1.1	1.5	1.5
UK	1.9	3.1	2.2	1.6	0.6	1.6	2.4
Japan	1.4	-0.1	0.6	0.5	0.6	0.6	0.8
China	7.7	7.3	6.9	6.6	6.5	6.3	9.2
India	6.4	7.0	7.2	7.7	7.7	7.5	6.6
New Zealand	2.4	3.7	2.5	2.9	2.9	1.9	3.0
World	3.3	3.3	3.0	2.8	3.0	3.1	3.5
<i>MTP Top 5</i>	3.9	3.8	3.9	3.5	3.5	3.4	5.0

Commodity prices (\$US)

	29-Aug	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
WTI oil	47.04	45	52	54	56	58	60
Gold	1315	1320	1300	1250	1210	1170	1120
Iron ore	59	44	41	40	41	41	40
Hard cok. coal	89	93	85	83	84	85	85
Thermal coal	67	62	62	62	58	58	58
Copper	4604	4650	4750	4790	4840	4890	4940
Japan LNG	5.9	6.8	7.1	8.0	8.3	8.5	8.6

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