

AUSTRALIAN MARKETS WEEKLY



Why is NAB forecasting two rate cuts?

In this issue

Why is NAB forecasting two rate cuts in 2017?

The past week

This week

Calendar of economic releases

Forecasts

- Low Q4 Australian CPI sees the market reduce probability of a rate hike over the next twelve months.
- Recent renewed focus of RBA on financial stability considerations suggests deteriorating labour market outlook will be required to prompt further easing.
- NAB continues to forecast two rate cuts in 2017. This view reflects the expectation that GDP growth will slow in 2018 as housing construction slows, resource exports are no longer expanding and the benefit of the earlier large AUD depreciation starts to wane.
- Without further stimulus, this slow growth outlook should likely see the unemployment rate begin to rise, something that is seen as inconsistent with the RBA's charter given inflation is likely to continue to run below target for an extended period.
- Applications per job ad suggest Australian unemployment rate to track sideways in the months ahead.
- Key Australian events this week are NAB Business Survey (Tuesday), Building Approvals (Thursday) – which will provide an update on the housing cycle, which is important for our rate view – and what's likely to be a bumper Trade Surplus (also on Thursday). The latter could be important for S&P as it is part of the AAA rating decision.

Why is NAB forecasting two rate cuts in 2017?

While we are receiving many questions about the impact of President Trump's policies on the outlook for the US and global economies and markets, the most frequent question we are being asked about Australia is "why is NAB forecasting two interest rate cuts in 2017" (in May and August)?

No doubt some of this questioning stems from the broad change in market pricing from rate cuts to rate hikes in recent months, though last week's still very low CPI saw the market largely unwind any near-term pricing of rate increases and reduce the pricing (probability) of an Australian rate rise in the year ahead.

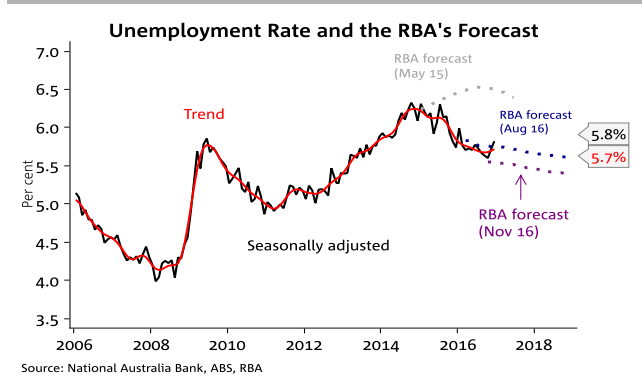
The first point to make about NAB's forecast for two further rate cuts in 2017 is this forecast is largely based on the bank's forecast for Australian GDP in 2018 and is not especially influenced by the outlook for inflation. The latter is broadly expected to remain very low given the restraining influence of rents on core inflation and the substantial amount of new housing supply coming on stream, which in turn is expected to keep rental growth low for a sustained period.

Key markets over the past week

	Last	% chg week		Last	bp / % chg week
AUD	0.7559	0.1	RBA cash	1.50	0
AUD/CNY	5.20	0.3	3y swap	2.10	-7
AUD/JPY	86.7	0.0	ASX 200	5,714	0.4
AUD/EUR	0.705	-0.2	Iron ore	83.3	3.6
AUD/NZD	1.040	-1.3	WTI oil	53.2	-0.1

Source: Bloomberg

Chart 1: Unemployment rate levelling out?



The forecast was based on what NAB sees as an expected relatively weak growth outlook for 2018, which partly reflects an expected downturn in housing construction (Chart 3). We'll get a further update on the trend for building approvals on Thursday this week however the thought process is that without further monetary policy stimulus later this year, the downturn in housing construction and less momentum in exchange sensitive sectors and resultant slow GDP growth would otherwise result in an increase in the unemployment rate. This is something that would be incompatible with the RBA's charter given inflation is both running below target and is only expected to return slowly to target.

Chart 2: Slow rents keep core inflation low

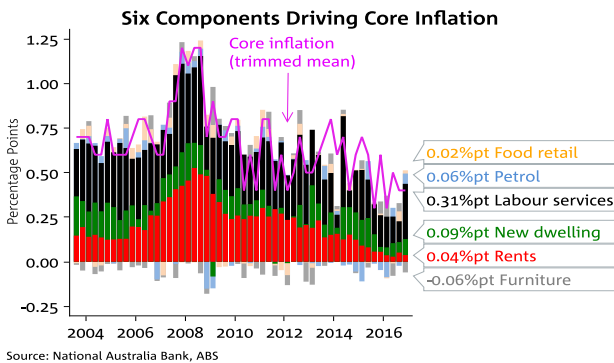
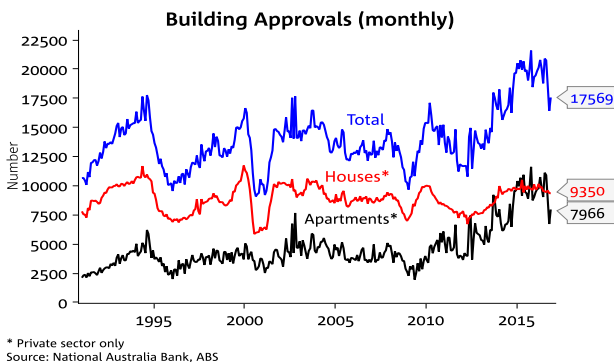


Chart 3: Housing construction set to slow

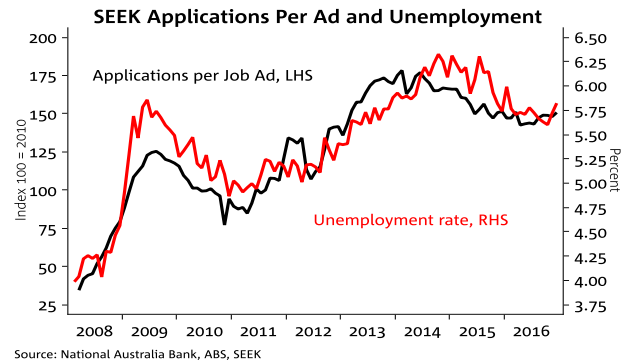


So how is the forecast going?

One important development since the forecast was made in August last year has been the change of RBA Governor. Under Governor Lowe, arguably there appears to have been a renewed emphasis on financial stability considerations – perhaps raising the bar for further easing from an inflation perspective. In recent public pronouncements, the RBA seems to have been warning that further easing risks encouraging households to take on too much debt. This is a concern for the RBA as it could serve to worsen the next downturn in the Australian economy, when that occurs. It's therefore likely to require deterioration in the outlook for unemployment (via downward revisions to the RBA's growth forecasts or an upward trend in the unemployment rate) before the RBA further cut interest rates.

On that front, while the past two months of data have seen the unemployment rate increase somewhat, given the volatility in Australia's monthly unemployment data, it's a little early to call this a trend (Chart 4).

Chart 4: Unemployment no longer clearly declining



NAB, by virtue of its joint venture with SEEK, Australia's largest online job advertiser, has access to large amounts of unpublished labour market indicators, including the number of applications posted for each job advertised online with SEEK. As Chart 1 shows, the number of applications per job ad – which seems to provide some leading indication of the trend for the unemployment rate – has stopped falling in recent months. This would suggest the unemployment rate is more likely to track sideways in the months immediately ahead.

This trend has largely been driven by a slight upturn in applications per ad in NSW, perhaps confirming what has been somewhat surprising softness in NSW labour market data in recent times (Chart 5).

Chart 5: Apps per ad rising in NSW

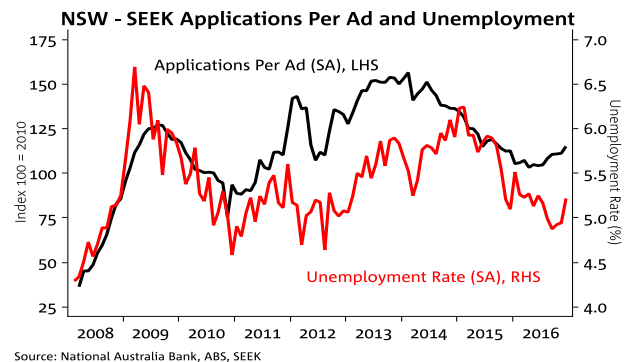
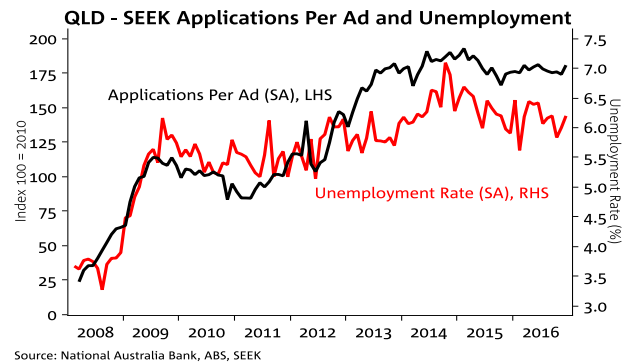
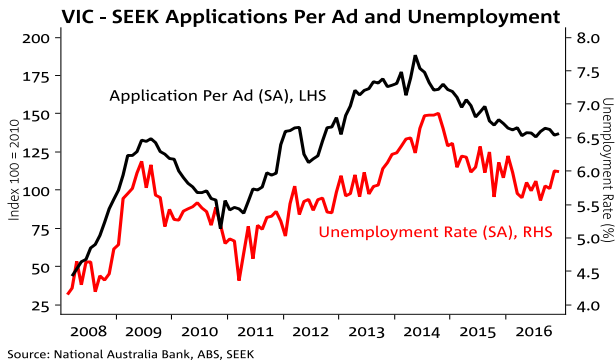


Chart 6: Apps per ad flat in QLD



Apps per ad are broadly flat in Queensland (signalling no significant improving trend for unemployment in that state), while in Victoria apps per ad are recording further slight declines, but not at the same rate as previously.

Chart 7: Apps per ad flattening out in VIC?



Conclusion

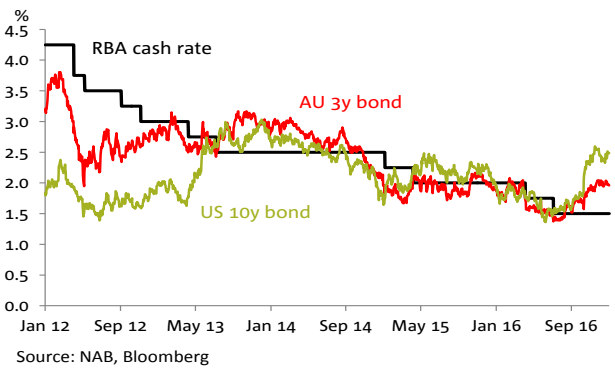
While the Q4 CPI was low enough to arguably see the RBA question whether it should cut interest rates further, the fact that the result was in line with the RBA’s November forecast expectations and the recent increased importance of financial stability considerations suggests the hurdle for further near-term easing is high. The latter is something that will likely require a clearer deterioration in the outlook for the labour market in the months ahead. Watching both the trend for building approvals and the number of applications for each job ad will be important indicators to see whether our forecast remains on track, along with the NAB business survey, the December version of which is published tomorrow. The latter will provide also provide a further update on the labour market.

Lower cash rate unlikely to be fully reflected in yield curve

Intuitively one assumes that a lower cash rate means lower bond yields. This was certainly the case in the past two years where the 3yr bond yield fell 70bps in the six months around the rate cuts delivered in 2015 and rallied 90bps in the six months around the rate cuts in 2016.

A key factor adding support was lower global bond yields. This latter point is something which we do not see being repeated in 2017. US Treasury yields will likely lead global bond yields higher as the FOMC continues along its path of raising the Fed funds rate. So for the Australian interest rate market there will be opposing forces at play in 2017. While expectations and then delivery of two 25bps rate cuts should maintain support, unlike the periods of easier monetary policy in 2015 and

Chart 8: Bond yields and cash diverge



2016 the lower cash rate environment is unlikely to be fully reflected in the yield curve as higher global yields maintain upward pressure. We are currently forecasting yields in the front of the curve to remain around current levels through the year (so spread to the cash rate will widen) while the yield curve is expected to continue to steepen.

The past week

The main domestic influence in Australia of the past week was the low Q4 CPI outcome. This saw markets remove some modest pricing of rate hikes over the next twelve months and was responsible for a rally in 3-year swap rates. Longer-dated yields moved somewhat higher in the US as markets continue to expect President Trump’s policies to both boost US growth and increase US inflation.

These expectations saw the US\$ broadly slightly stronger against world currencies over the week, though the \$A was broadly unchanged at US\$0.7550, with the biggest move being against the NZ\$, which strengthened against the \$A following a slightly higher than expected NZ Q4 CPI. Iron ore prices continue to hold up better than expected, rising more than 3% over the week to around US\$83, which is an important part of what is expected to be a bumper monthly trade surplus published this week.

This week

It’s quite a big week ahead, especially offshore. And of course we will likely continue to get daily new policy announcements from President Trump.

On the Australian calendar the key event is tomorrow’s December NAB Business Survey. There will also be focus on Thursday on the trend for building approvals (important for our GDP and rate cut views) and what is likely to be a very large trade surplus (reflecting recent elevated coal and iron ore prices, a bumper wheat crop albeit with weaker wheat prices and continued growth in LNG exports). The latter may be important for the debate about Australia’s AAA rating as S&P has said that *“A sharp narrowing of current account deficits and external debt due to a favourable export performance could also cause us to change the outlook to stable, although this appears unlikely over the next two years.”*

Key offshore events include the first FOMC meeting for the year: result announced early Thursday morning Australian time. While no rate change is expected, the markets are keen to see whether there are any hints about a move at the March meeting, given a number of senior Fed officials have recently been suggesting as many as three US interest rate increases are likely this year.

Also important on the US calendar are Friday’s monthly non-farm payrolls report – including data on the trends in wages in the US, which will ultimately significantly influence the Fed’s thinking on inflation and interest rates. The ISM surveys on Wednesday (manufacturing) and Friday (non-manufacturing) will also provide an important update on momentum in the US economy around the turn of the year. Interestingly, Brambles reported a weak December in the US, though investors seem to have assumed this to be a temporary phenomenon.

CALENDAR OF ECONOMIC RELEASES

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEDT
Monday, 30 January 2017								
NZ	<i>Holiday (partial) – Auckland Anniversary</i>							
NZ	Trade Balance/12m NZD	Dec	+180	-97.5/-3200		-705/-3175	22.45	8.45
JN	Retail Sales MoM/YoY	Dec		-0.5/1.7		0.2/1.7	0.50	10.50
NZ	New Residential Lending YoY	Dec				-1.0	3.00	13.00
AU	RBA Deputy Governor Debelle gives Opening Remarks at CLS FX Industry Reception							
EC	Business Climate Indicator	Jan		0.8		0.8	12.45	22.45
US	Personal Income/Spending	Dec		0.4/0.5		0.0/0.2	14.30	0.30
US	PCE Deflator MoM/YoY	Dec		0.2/1.7		0.0/1.4	14.30	0.30
US	PCE Core MoM/YoY	Dec		0.1/1.7		0.0/1.6	14.30	0.30
US	Pending Home Sales MoM/YoY	Dec		1.05/		-2.5/1.4	16.00	2.00
US	Dallas Fed Manf. Activity	Jan		15		15.5	16.30	2.30
Tuesday, 31 January 2017								
NZ	Net Migration SA	Dec				6220	22.45	8.45
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Jan 29				117.0	23.30	9.30
JN	Jobless Rate/Job-To-Applicant Ratio	Dec		3.1/1.42		3.1/1.4	0.30	10.30
JN	Overall Household Spending YoY	Dec		-0.9		-1.5	0.30	10.30
JN	Industrial Production MoM/YoY	Dec P		0.3/3		1.5/4.6	0.50	10.50
UK	GfK Consumer Confidence	Jan		-8		-7.0	1.10	11.10
UK	Lloyds Business Barometer	Jan		/		39.0/5.0	1.10	11.10
AU	NAB Business Conditions/Confidence	Dec				5.0/5.0	1.30	11.30
AU	Private Sector Credit MoM/YoY	Dec	0.5/5.7	0.5/5.4		0.5/5.4	1.30	11.30
NZ	Credit Aggregates, household YoY	Dec				8.6	3.00	13.00
JN	BOJ Policy Rate	Jan 31				-0.1		
JN	Small Business Confidence	Jan				48.8	6.00	16.00
EC	ECB's Draghi speaks in Frankfurt on "Europe's digital integrated market"							
UK	Mortgage Approvals	Dec		68.85		67.5	10.30	20.30
EC	Unemployment rate	Dec		9.8		9.8	11.00	21.00
EC	GDP QoQ/YoY	4Q A		0.4/1.7		0.3/1.7	11.00	21.00
EC	CPI/CPI Core YoY	4Q A		1.7/1.5		1.7/1.1	11.00	21.00
EC	Employment Cost Index QoQ/YoY	Jan A		0.9/0.6		0.9/0.6	11.00	21.00
CA	GDP MoM/YoY	Nov		0.3/1.4		-0.3/1.5	14.30	0.30
CA	Industrial Product/Raw Material Prices MoM	Dec		0.55/2.8		0.3/-2.0	14.30	0.30
US	S&P CoreLogic CS 20-City MoM/YoY SA	Nov		0.6/5.04		0.6/5.1	15.00	1.00
US	Chicago Purchasing Manager	Jan		55		54.6	15.45	1.45
US	Conf. Board Consumer Confidence	Jan		112.9		113.7	16.00	2.00
Wednesday, 1 February 2017								
NZ	QVNZ Housing Report 3m, YoY	Jan				12.5	17.00	3.00
NZ	Employment Change QoQ/YoY	4Q	0.6	0.8/6.1		1.4/6.1	22.45	8.45
NZ	Unemployment Rate	4Q	4.8	4.8		4.9	22.45	8.45
NZ	Average Hourly Earnings/Pvte Wages ex Overtime QoQ	4Q		0.6/0.5		0.3/0.4	22.45	8.45
AU	AiG Perf of Mfg Index	Jan				55.4	23.30	9.30
AU	CoreLogic House Px MoM	Jan	0.9			1.4	0.00	10.00
JN	Nikkei Japan PMI Mfg	Jan F				52.8	1.30	11.30
CH	Manufacturing/Non-Manufacturing PMIs	Jan		51.2/		51.4/54.5	2.00	12.00
AU	Commodity Index AUD/SDR YoY	Jan				116.8/45.5	6.30	16.30
EC	Markit Eurozone PMI Manufacturing SA	Jan F		55.1		55.1	10.00	20.00
UK	Markit UK PMI Manufacturing SA	Jan		55.9		56.1	10.30	20.30
CA	MLI Leading Indicator MoM	Dec				0.3	13.00	23.00
US	ADP Employment Change	Jan		167		153.0	14.45	0.15
CA	RBC Canadian Manufacturing PMI	Jan				51.8	15.30	1.30
US	Markit US Manufacturing PMI	Jan F		55.1		55.1	15.45	1.45
US	ISM Manufacturing	Jan		55		54.7	16.00	2.00
US	Construction Spending MoM	Dec		0.3		0.9	16.00	2.00
US	FOMC Rate Decision (Lower/Upper Bound)	Feb 1		0.5/0.75		0.5/0.8	20.00	6.00
Thursday, 2 February 2017								
NZ	ANZ Job Advertisements MoM	Jan				1.6	22.00	8.00
NZ	PM English gives State of Nation Address						0.30	10.30
AU	Trade Balance	Dec	3050	2000		1243.0	1.30	11.30
AU	Building Approvals MoM/YoY	Dec	2.2/-7.3	-1.8/-11.1		7.0/-4.8	1.30	11.30
JN	Consumer Confidence Index	Jan				43.1	6.00	16.00
EC	ECB Publishes Economic Bulletin						10.00	20.00
UK	Markit/CIPS UK Construction PMI	Jan		53.8		54.2	10.30	20.30
UK	Bank of England Bank Rate	Feb 2		0.25		0.3	13.00	23.00
UK	BOE Asset Purchase/Corporate Bond Target	Feb		435/10		435.0/10.0	13.00	23.00
UK	Bank of England Inflation Report						13.00	23.00
EC	ECB's Draghi speaks in Ljubljana						13.15	23.15
US	Challenger Job Cuts YoY	Jan				42.4	13.30	23.30
CA	Carney Speaks at Inflation Report Press Conference						13.30	23.30
US	Wards Total Vehicle Sales	Jan		17.5		18.3		
US	Nonfarm Productivity/Unit Labour Costs	4Q P		0.9/1.9		3.1/0.7	14.30	0.30
US	Initial Jobless Claims	Jan 28		250		259.0	14.30	0.30
Friday, 3 February 2017								
AU	AiG Perf of Services Index	Jan				57.7	23.30	9.30
JN	BoJ Minutes of Dec 19-20 meeting						0.50	10.50
NZ	ANZ Commodity Price	Jan				0.7	1.00	11.00
JN	Nikkei Japan PMI Services/Composite	Jan				52.3/52.8	1.30	11.30
CH	Caixin China PMI Mfg	Jan F		51.8		51.9	2.45	12.45
EC	Markit Eurozone Services/Composite PMI	Jan F		53.6/54.3		53.6/54.3	10.00	20.00
UK	Markit/CIPS UK Services/Composite PMI	Jan		55.8/56		56.2/56.7	10.30	20.30
EC	Retail Sales MoM/YoY	Dec		0.3/1.8		-0.4/2.3	11.00	21.00
US	Change in Nonfarm Payrolls/Unemployment Rate	Jan		175/4.7		156.0/4.7	14.30	0.30
US	Average Hourly Earnings MoM/YoY	Jan		0.3/2.7		0.4/2.9	14.30	0.30
US	Fed's Evans Speaks on Economy and Policy in Olympia Fields						15.15	1.15
US	Markit US Services/Composite PMI	Jan F				55.1	15.45	1.45
US	ISM Non-Manf. Composite	Jan		57		57.2	16.00	2.00
US	Factory Orders/Core Orders	Dec		1/		-2.4/0.1	16.00	2.00
Upcoming Central Bank Interest Rate Announcements								
Japan, BoJ		31-Jan	-0.1%	-0.1%		-0.1%		
US Federal Reserve		2-Feb	0.5-0.75%	0.5-0.75%		0.5-0.75%		
UK BOE		2-Feb	0.25%	0.25%		0.25%		
Australia, RBA		7-Feb	1.50%	1.50%		1.50%		
New Zealand, RBNZ		9-Feb	1.75%	1.75%		1.75%		
Canada, BoC		2-Mar	0.5%	0.5%		0.5%		
Europe ECB		9-Mar	-0.4%	-0.4%		-0.4%		

GMT: Greenwich Mean Time; AEDT: Australian Daylight Savings Time

FORECASTS

Economic Forecasts

	Annual % change				Quarterly % change											
	2015	2016	2017	2018	2015				2016				2017			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Australia Forecasts	2015	2016	2017	2018	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption	2.7	2.7	2.3	2.1	0.6	0.6	0.9	0.8	0.8	0.5	0.4	0.7	0.6	0.6	0.5	0.5
Underlying Business Investment	-10.1	-11.7	-3.9	4.8	-3.3	-2.0	-5.6	-2.1	-3.4	-2.1	-4.5	-1.1	-0.7	-0.6	0.7	1.3
Residential Construction	10.0	9.0	2.8	-1.3	5.1	-1.2	3.6	1.8	4.1	2.6	-1.4	2.3	0.2	0.5	0.9	0.5
Underlying Public Spending	2.4	4.0	2.5	2.6	1.3	1.9	-0.9	1.8	0.7	2.8	-0.6	0.6	0.6	0.6	0.6	0.6
Exports	6.1	7.0	8.6	6.5	3.4	-2.8	4.2	0.8	2.6	2.1	0.3	2.0	2.8	2.2	2.3	2.1
Imports	2.0	0.5	5.6	5.5	2.5	0.8	-1.6	0.5	-0.8	2.9	1.3	1.4	1.1	1.1	1.5	1.5
Net Exports (a)	0.8	1.3	0.6	0.3	0.1	-0.7	1.2	0.1	1.0	-0.1	-0.2	0.1	0.4	0.2	0.2	0.1
Inventories (a)	0.1	0.1	0.0	-0.1	0.6	-0.4	0.1	0.0	-0.1	0.2	0.2	-0.1	-0.1	0.0	-0.1	0.0
Domestic Demand - qtr%					0.5	0.5	-0.3	0.6	0.1	0.8	-0.5	0.6	0.4	0.5	0.6	0.6
Dom Demand - ann %	1.3	1.5	1.7	2.2	1.1	1.4	1.2	1.3	1.3	1.6	1.5	1.5	1.4	1.0	2.1	2.1
Real GDP - qtr %					1.1	0.1	0.8	0.6	1.0	0.6	-0.5	0.9	0.7	0.7	0.7	0.9
Real GDP - ann %	2.4	2.4	2.4	2.5	2.5	2.0	2.4	2.6	2.5	3.1	1.8	2.0	1.8	1.8	3.0	3.0
CPI headline - qtr %					0.2	0.7	0.5	0.4	-0.2	0.4	0.7	0.5	0.5	0.6	0.7	0.6
CPI headline - ann %	1.5	1.3	2.4	2.3	1.3	1.5	1.5	1.7	1.3	1.0	1.3	1.5	2.3	2.5	2.4	2.4
CPI underlying - qtr %					0.7	0.5	0.3	0.5	0.2	0.5	0.4	0.4	0.5	0.5	0.5	0.4
CPI underlying - ann %	2.2	1.5	1.8	1.9	2.4	2.2	2.1	2.0	1.5	1.5	1.5	1.6	1.8	1.8	1.9	1.9
Wages (Pvte WPI - ann %)	2.1	1.9	1.9	2.2	2.2	2.2	2.1	2.0	2.0	2.0	1.9	1.9	2.0	2.0	1.9	1.9
Unemployment Rate (%)	6.0	5.7	5.7	5.7	6.2	6.0	6.1	5.9	5.9	5.7	5.6	5.7	5.7	5.7	5.7	5.7
Terms of trade	-11.6	-0.6	10.2	-1.8	-2.6	-4.3	-2.6	-3.7	-1.9	2.3	4.5	7.7	6.9	-4.4	-2.8	-3.5
G&S trade balance, \$Abn	-36.7	-18.5	23.0	-10.7	-4.8	-11.3	-9.0	-11.7	-8.4	-7.4	-4.7	1.9	9.6	6.5	4.8	2.1
% of GDP	-2.2	-1.1	1.3	-0.6	-1.2	-2.8	-2.2	-2.8	-2.0	-1.8	-1.1	0.4	2.2	1.5	1.1	0.5
Current Account (% GDP)	-4.8	-2.8	-0.3	-2.2	-3.3	-5.1	-5.0	-5.6	-3.6	-3.8	-2.7	-1.1	0.6	-0.1	-0.5	-1.1

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

Exchange Rate Forecasts

	30-Jan	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Majors						
AUD/USD	0.7556	0.73	0.72	0.70	0.70	0.69
NZD/USD	0.7273	0.70	0.68	0.67	0.67	0.68
USD/JPY	114.44	115	115	118	118	120
EUR/USD	1.0732	0.98	1.00	1.02	1.04	1.05
GBP/USD	1.2590	1.18	1.16	1.18	1.20	1.20
USD/CNY	6.8840	7.20	7.24	7.18	7.17	7.18
USD/CAD	1.3133	1.33	1.35	1.37	1.37	1.37

Australian Cross Rates

	30-Jan	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
AUD/JPY	86.5	84	83	83	83	83
AUD/EUR	0.7041	0.74	0.72	0.69	0.67	0.66
AUD/GBP	0.6002	0.62	0.62	0.59	0.58	0.58
AUD/NZD	1.0389	1.04	1.06	1.04	1.04	1.01
AUD/CNY	5.2016	5.26	5.21	5.03	5.02	4.95
AUD/CAD	0.9923	0.97	0.97	0.96	0.96	0.95
AUD/CHF	0.7530	0.71	0.69	0.74	0.74	0.73

Interest Rate Forecasts

	30-Jan	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Aust rates						
RBA Cash rate	1.50	1.50	1.25	1.00	1.00	1.00
3 month bill rate	1.77	1.75	1.50	1.25	1.25	1.25
3 Year Swap Rate	2.08	2.1	2.0	2.0	2.1	2.2
10 Year Swap Rate	3.02	3.0	3.0	3.0	3.0	3.0
Offshore Policy Rates						
US Fed funds	0.75	0.75	1.00	1.00	1.25	1.25
ECB deposit rate	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
BoE repo rate	0.25	0.25	0.25	0.25	0.25	0.25
BoI excess reserves rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
RBNZ OCR	1.75	1.75	1.75	1.75	1.75	1.75
China 1yr lending rate	4.35	4.35	4.10	4.10	4.10	4.10
China Reserve Ratio	17.0	17.0	16.5	16.5	16.5	16.5
10 Year Benchmark Bond Yields						
Australia	2.78	2.75	2.80	2.75	2.70	2.70
United States	2.48	2.40	2.50	2.50	2.50	2.50
New Zealand	3.41	3.25	3.30	3.35	3.30	3.30

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP

Dec year	2013	2014	2015	2016	2017	2018	20 Yr Avg
Australia	2.1	2.8	2.4	2.4	2.4	2.5	3.4
US	1.7	2.4	2.6	1.6	2.1	2.4	2.6
Eurozone	-0.3	1.1	1.9	1.6	1.5	1.6	1.5
UK	1.9	3.1	2.2	2.0	1.3	1.6	2.4
Japan	2.0	0.3	1.2	1.0	0.8	0.6	0.8
China	7.7	7.3	6.9	6.6	6.5	6.3	9.2
India	6.3	7.0	7.2	7.4	7.5	7.5	6.6
New Zealand	2.4	3.8	2.5	3.4	3.2	2.4	3.0
World	3.4	3.4	3.1	2.9	3.2	3.3	3.5
MTP Top 5	4.1	3.9	4.0	3.7	3.7	3.6	5.0

Commodity prices (\$US)

	30-Jan	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
WTI oil	53.17	51	52	53	55	56
Gold	1188	1150	1130	1100	1060	1030
Iron ore	83.3	69	65	63	60	58
Hard cok. coal	185	285	215	180	150	125
Thermal coal	84	62	65	65	65	65
Copper	5888	5200	5180	5180	5180	5200
Aust LNG (#N/A Invald Security)		7.2	7.6	7.9	8.0	8.4

(*) Implied Australian LNG export prices.

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