EMBARGOED UNTIL: 11.30AM WEDNESDAY 12 APRIL 2017

THE FORWARD VIEW - AUSTRALIA

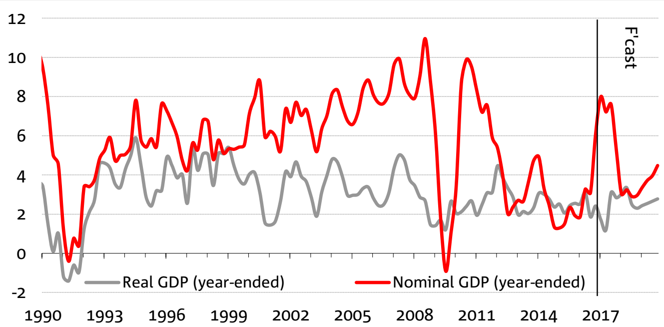
APRIL 2017

Modest growth as far as the eye can see

- **This month we extend our forecasts out to 2019. Our framework shows a moderate cyclical recovery in domestic demand, and to a lesser extent GDP, in 2019. This follows variable real GDP growth outcomes through 2017 and 2018.** Growth will be weak in Q1 and Q2 this year – with the latter due to Cyclone Debbie - but strong through the remainder of 2017 (picking up to near 3% through the year) due to LNG exports and lagged commodity price effects. Growth then softens, to 2.3% y/y by Dec-18, as dwelling construction and LNG exports peak and weak household income constrains household consumption. This oscillating outlook in 2017 and 2018 sees few inroads made in unemployment (remaining around 5¾%) or much pick up in underlying inflation (below the 2-3% target band), before 2019 sees a modest fall in the unemployment rate (to 5½%) and a small rise in underlying inflation (to the bottom of the 2-3% range).
- **While it is too early to accurately estimate the impact of Cyclone Debbie, it will be a drag on H1 2017 economic growth.** Disruptions to coal production and exports will have the largest impact on GDP, particularly in Q2, with disruption to tourism and damage to sugar, vegetable and fruit crops also weighing. There will however be some offset via the rebuilding of infrastructure, commercial and residential property over the coming year or so.
- **We see downside risks to consumer spending given poor retail trade readings** and negative business conditions for the sector. **On the upside, business conditions in mining (and WA) are looking better**, owing to improvements in commodity prices (which are likely to unwind over time) as well as reduced drag from mining investment. Meanwhile, **leading indicators of employment are suggesting stronger readings than the official data, implying some improvement in coming months.**
- House prices in the major capital cities continue to grow rapidly, resulting in concerns about the trajectory of household debt. **Regulators have again moved to tighten lending standards for housing loans**, particularly for interest-only and investor lending. Against a backdrop of below-target inflation and elevated unemployment, policy makers are unlikely to address their concern about household balance sheets via interest rates, with further macro-prudential measures possible. **We expect the RBA to remain on hold for an extended period**, before some small hikes in late 2019 as domestic demand starts to improve.
- The AUD has gradually depreciated since late March, particularly in trade weighted terms. **We maintain our projection for the AUD/USD to reach 0.70 by year-end.**

	Calendar Year				
	2015	2016	2017-F	2018-F	2019-F
Domestic Demand (a)	1.3	1.6	2.3	2.4	2.7
Real GDP (a)	**2.4**	**2.5**	**2.3**	**2.8**	**2.6**
Terms of Trade (a)	-11.6	-0.4	17.3	-5.9	-4.5
Employment (a)	2.0	1.5	1.2	1.5	1.6
Unemployment Rate (b)	6.0	5.7	5.8	5.7	5.5
Headline CPI (b)	1.7	1.5	2.4	2.1	2.2
Core CPI (b)	2.0	1.6	1.8	1.8	2.0
RBA Cash Rate (b)	2.00	1.50	1.50	1.50	2.00
$A/US cents (b)	0.73	0.72	0.70	0.70	0.73

(a) annual average growth, (b) end-period, (c) through the year inflation



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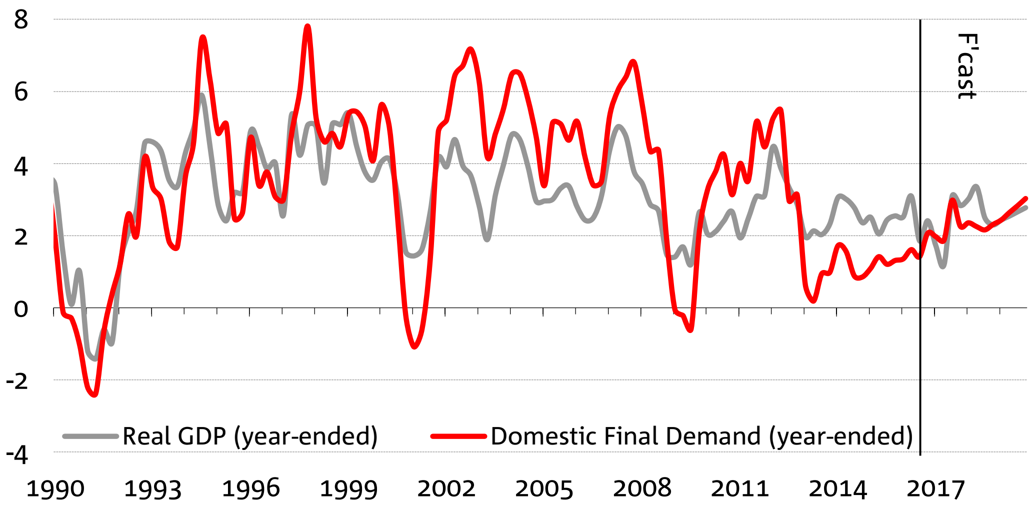
CHARTS OF THE MONTH

Strong property prices, weak employment and cyclone disruptions

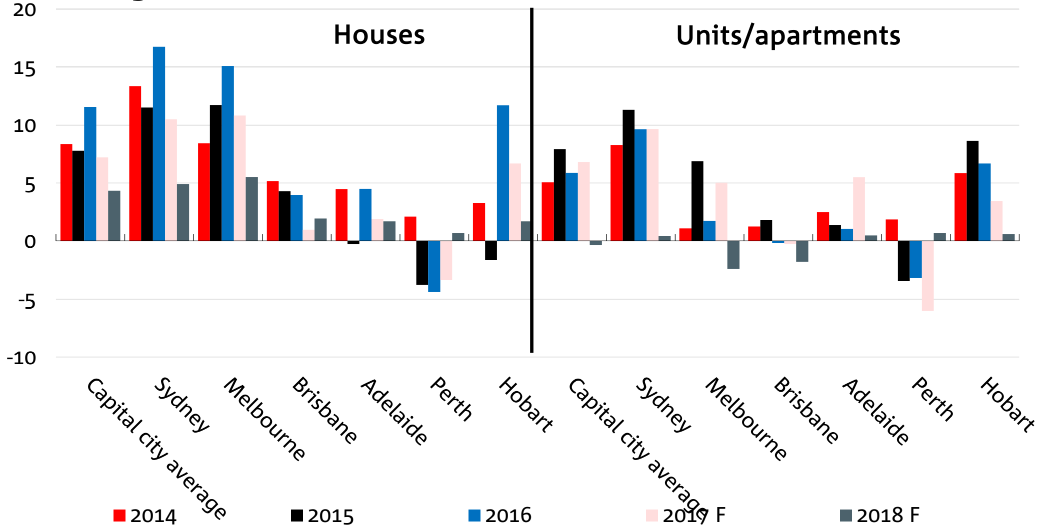
DOMESTIC DEMAND TO EXPERIENCE CYCLICAL RECOVERY IN 2019

Year-ended % change



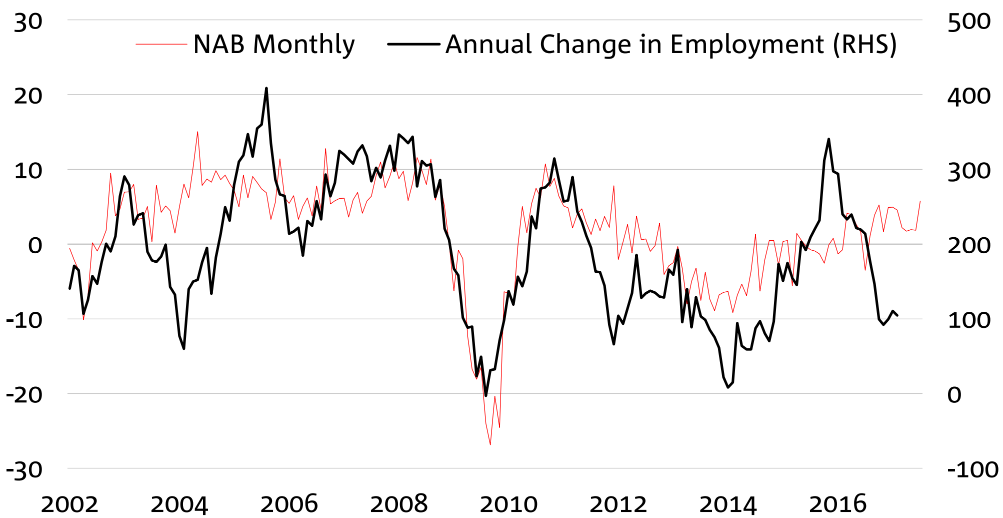
RESIDENTIAL PROPERTY PRICE FORECASTS REVISED UP IN 2017

Annual growth, %



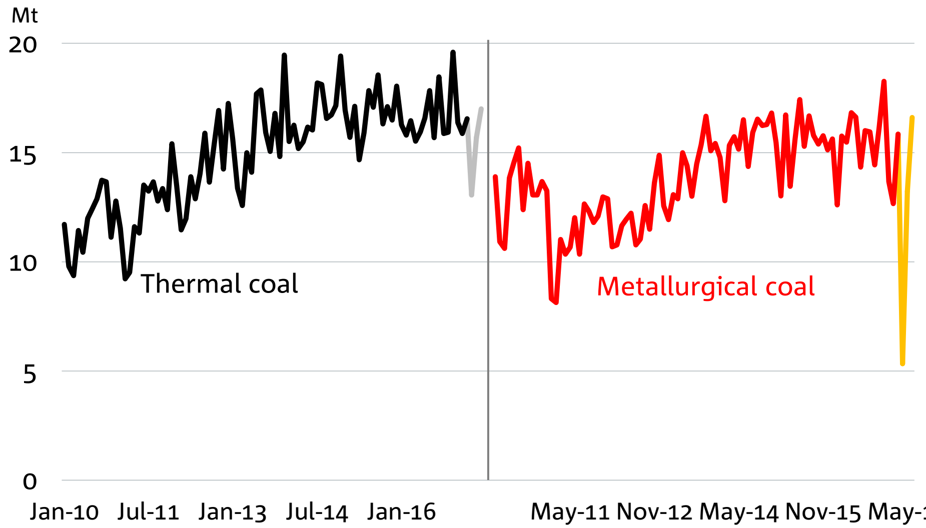
LEADING INDICATORS MUCH STRONGER THAN OFFICIAL EMPLOYMENT

Annual employment change vs NAB employment (adv 6 months)



COAL EXPORTS TO BE TEMPORARILY HIT HARD BY CYCLONE

Millions tonnes



Sources: ABS, Core Logic, NAB, Bloomberg

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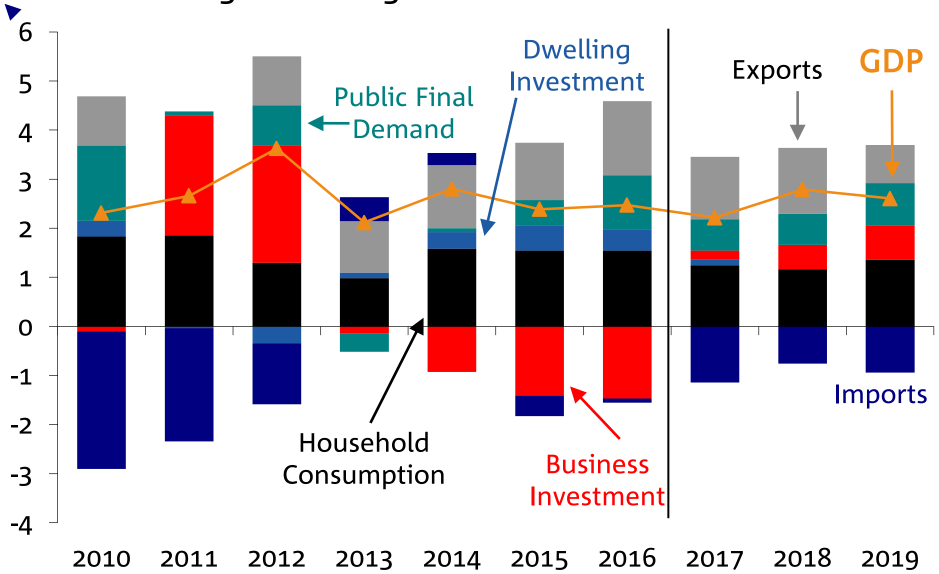
OVERVIEW - AUSTRALIAN ECONOMIC OUTLOOK

Extending to 2019 shows modest improvement following mixed 2017 & 2018

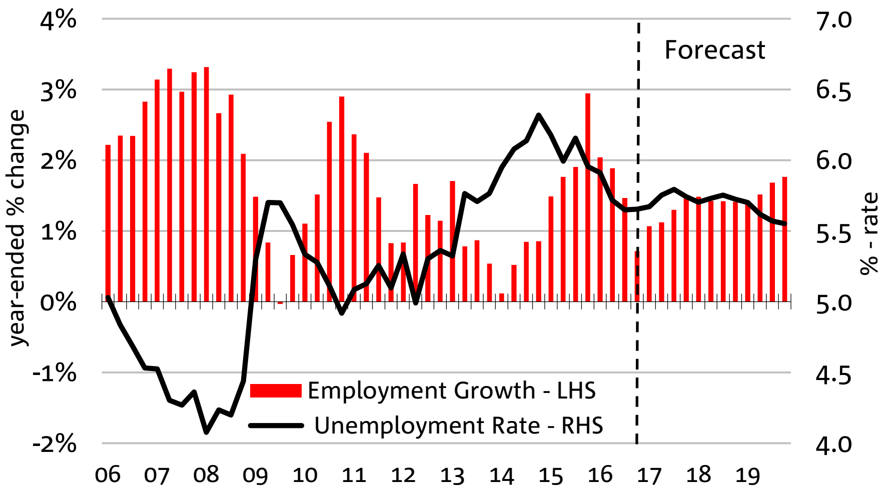
REAL GDP OUTLOOK

Annual average % change



UNEMPLOYMENT RATE FORECASTS

Employment growth and unemployment rate



Sources: ABS, NAB

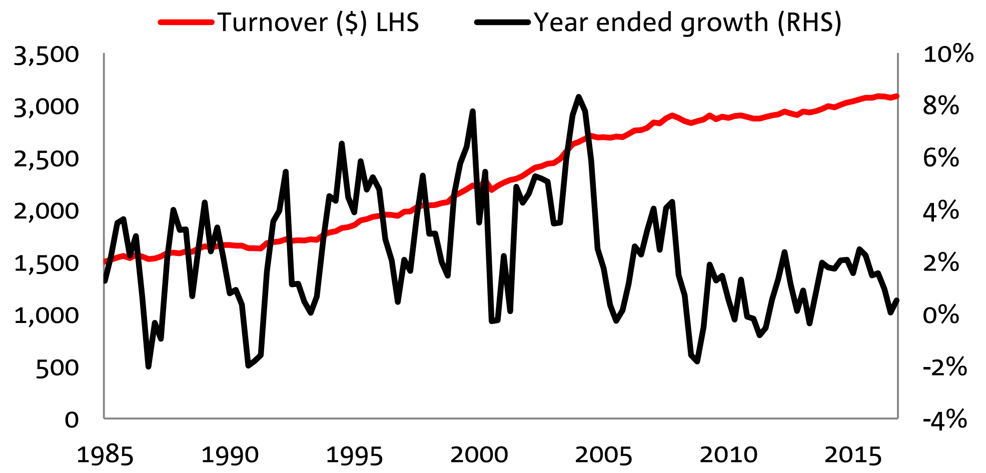
- **Economic growth is likely to be variable through 2017**, with partial indicators suggesting very modest growth in Q1, Q2 heavily affected by Cyclone Debbie and then Q3 and Q4 forecast to surge on LNG exports, a rebound in cyclone-affected coal exports and reduced subtraction from mining investment as the majority of large projects approach completion. Year-ended growth is expected to reach over 3% by Q3 2017.
- **Growth is then expected to soften through 2018**, to 2.3% in year-ended terms by December, as dwelling construction and LNG exports both peak. Household spending will remain subdued amidst low household income growth, while business investment will start to recover and solid government spending (particularly government infrastructure investment at the state and federal level) will provide an offset.
- **Extending our forecast out to 2019 shows a moderate recovery in domestic demand** to 3% y/y by end-2019, with consumer spending picking up modestly, and business and government investment growth gaining further traction. This will help to offset further (modest) decline in dwelling investment. **GDP growth will be slightly more subdued, picking up to 2.8% in year-ended terms by Dec-19** given that net exports again start to drag on growth as imports (of consumption, investment and intermediate goods) improve in line with domestic demand and again start to outpace exports.
- **Oscillating GDP outcomes will be insufficient to put downward pressure on unemployment through 2017 and 2018, with the unemployment rate stuck at around 5¾%, before easing to around 5½% by end-2019.** In the near-term, high frequency indicators such as NAB's employment index suggest that current weak employment will not be sustained. In addition, while the weakness in the official labour market data at present may be overstated (see page 7), it may also be the delayed effect of the slowdown in economic activity through much of H2 2016 as evidenced in NAB's measure of business conditions - business conditions have turned up since December.
- **While it is too early to accurately estimate the impact of Cyclone Debbie (which hit North Queensland on 28th March),** we have included some preliminary adjustments to exports and inflation. In terms of exports, the majority of the impact stems from mine closures and landslides that have damaged coal freight rail infrastructure in Queensland. Early figures suggest a decline of 15-20 mt of coal exports (roughly 2/3 of which is metallurgical coal and the remainder thermal coal), which will see nationwide coal exports decline by approximately 20% in chain volume terms in Q2, and subtracts approximately 2.5ppt from total exports and 0.3ppt from Q2 GDP before rebounding in Q3. The cyclone has also caused damage at popular tourist destinations, negatively affecting tourism exports and revenue in the coming months, although the rebuilding effort may support measured GDP growth more broadly over the longer term. Damage to key crops is also expected to raise headline inflation by 0.1-0.2ppt in Q2 via higher fruits and vegetable prices but will not impact core inflation.

CONSUMER DEMAND AND INFLATION

The outlook for consumer spending, and inflation, remains challenging

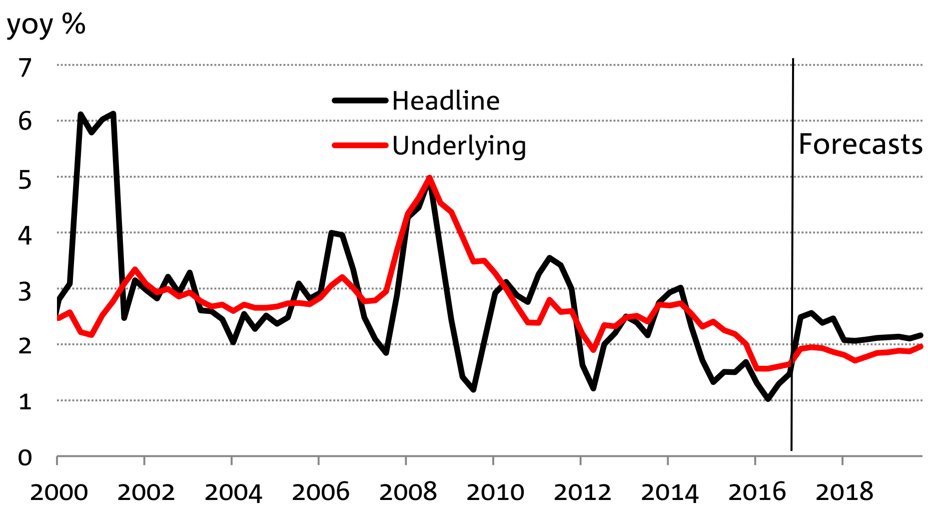
RETAIL TURNOVER REMAINS SLUGGISH IN THE POST-GFC PERIOD

Quarterly retail turnover per capita ($ real)



NAB'S INFLATION FORECASTS

Year-ended growth, %



Sources: ABS; NAB Economics

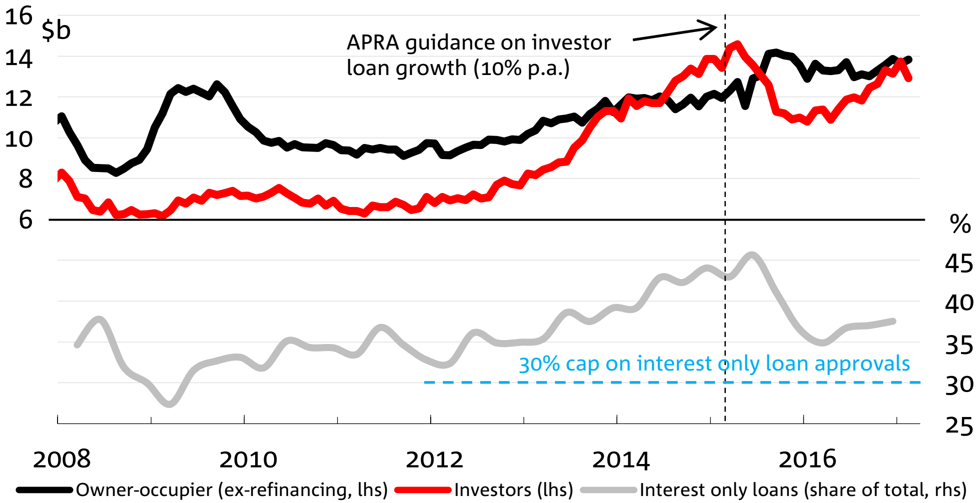
- We continue to expect a lacklustre outlook for household consumption, reflecting subdued wages growth, and elevated levels of household debt. Further, the housing market presents something of a double-edged sword, especially in Sydney and Melbourne. While higher property prices have enabled existing owners to access additional equity, it is more difficult for first homebuyers (and those saving for a home) to spend on non-essentials. The recent increase in the unemployment rate also presents a risk to consumer spending, although our forecasts at this stage envisage a retracement in coming months. Overall, we are forecasting household consumption growth of 2.2% in 2017 and 2.1% in 2018 before a small upturn to 2.4% in 2019.
- Retail turnover fell 0.1% m/m in February after rising 0.1% in January. Year on year data was slightly more encouraging, up 2.7%. Clothing and footwear as well as household goods were the worst performers in February, perhaps related to the weather or the closure of some clothing chains in the month, while department stores and food retailers grew. The NAB Online Retail Sales Index slowed in trend terms to 0.3% m/m in February, down from 0.5% in January.
- The retail industry continues to show poor results in the NAB Monthly Business Survey. The trend conditions index did rise (up 1) in the month, but the industry is still lagging well behind all other major industries and is a long way below the national average. This appears to reflect a combination of subdued consumer demand, fierce competition from offshore and margin compression.
- Underlying inflation is likely to remain weak and below the RBA's target band. Ongoing labour market softness will keep wages inflation contained. Rent inflation will also be weak at a time of increasing dwelling supply. However, potential government policies to tackle house price growth could impact rental growth going forward in both directions. We will continue to monitor further developments in this space in the lead up to the May Federal Budget. The recent strengthening of the AUD (until the past few weeks) will keep imported cost pressures low, further helped by continuing competitive pressures in the retail sector. However, the NAB Business Survey continues to show deteriorating conditions in the retail industry, which might hamper the industry's ability to absorb any further imported cost pressures in the future. Cyclone Debbie which hit Queensland in late March has caused damage to key crops and will raise headline inflation in Q2 via higher fruits and vegetable prices but will not impact core inflation. Overall, our inflation outlook is largely unchanged with core inflation below 2% in 2017 and 2018, picking up to 2% y/y by end-2019. Headline inflation is a little higher due to temporary cyclone impacts, fuel price and tobacco excise increases.

THE HOUSING MARKET

Macro-prudential measures stepped up to contain housing market risks

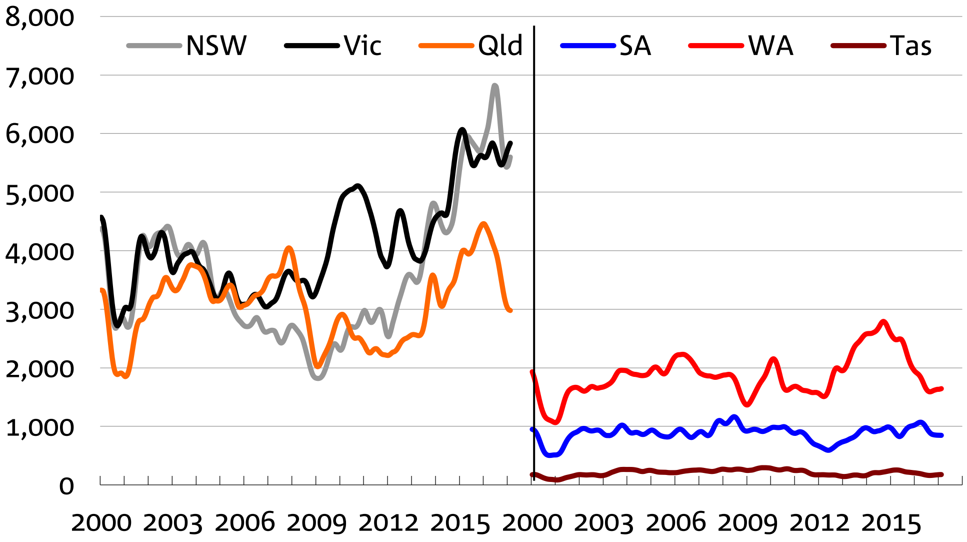
HOUSING LOAN APPROVALS

$ billon; share of total (%)



RESIDENTIAL BUILDING APPROVALS BY STATE (TREND)

Private dwelling units approved



Sources: ABS; CoreLogic

- The big news in the last month has been the renewed focus on **macro-prudential** measures to contain what are perceived as emerging risks in the property market. APRA announced new measures in late March, most notable of which were limitations on interest only lending imposed on ADIs. While more severe measures had been anticipated in some quarters, and could suggest more to come, the likely impact is nonetheless unclear – macro prudential measures can be effective in the short-term, but their longer term impact is more questionable. NAB Economics assessment is that the new policies will likely slow mortgage lending growth in the near-term, albeit fairly modestly. For now though, housing finance continues to grow briskly, with investor loan approvals now back near levels seen before the last round of prudential tightening by APRA.
- Regarding the housing market performance over the past month, there are still no signs of the market cooling in Sydney and Melbourne, with annual prices growth hitting multi-year highs in both cities. Auction rates have also been elevated for both cities, pointing to tight market conditions, while the NAB Residential Business Survey shows that sentiment in both these markets was strong in Q1 2017 – although also suggests that tighter credit conditions are becoming a greater constraint. Of the other state capitals, Hobart saw solid price gains in March, while increases were more modest in Brisbane and Adelaide. Perth prices were higher, but only partly unwound February's fall.
- Strong trends in Sydney and Melbourne property prices are expected to continue in the near-term, but are forecast to cool as tighter credit and prudential conditions start to impact. The effects will be compounded by modest wages growth/ deteriorating affordability and new additions to the housing (apartment) stock. As a result, we have revised our price forecasts higher, but with growth moderating going forward. Our national forecasts for houses in 2017 are 7.2% in 2017 (previously 3.4%) and 4.3% in 2018. Unit prices are forecast to rise 6.8% in 2017 (previously 0.8%), but will fall modestly in 2018 (-0.4%).
- New building approvals have come off their highs, but the trend has turned positive again more recently. That is a surprise development given our expectation for the industry to self regulate supply in light of growing settlement risk and over-supply concerns in some segments (namely CBD apartments) – suggesting we could see the construction cycle extend a little longer than expected, although economic modelling still points to significant downside risks to construction. Overall, dwelling investment is expected to rise 2% in 2017, before turning modestly negative (-1.1% and -3.5% in 2018 and 2019 respectively).

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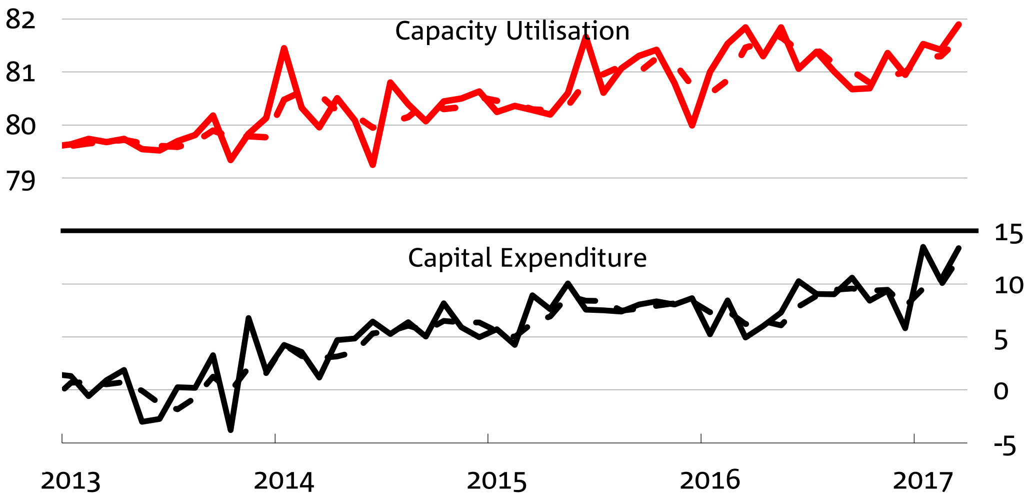
BUSINESS ACTIVITY, INVESTMENT AND CONSTRUCTION

Timely partials on business investment mixed. NAB Survey encouraging

NAB MONTHLY SURVEY INVESTMENT INDICATORS*

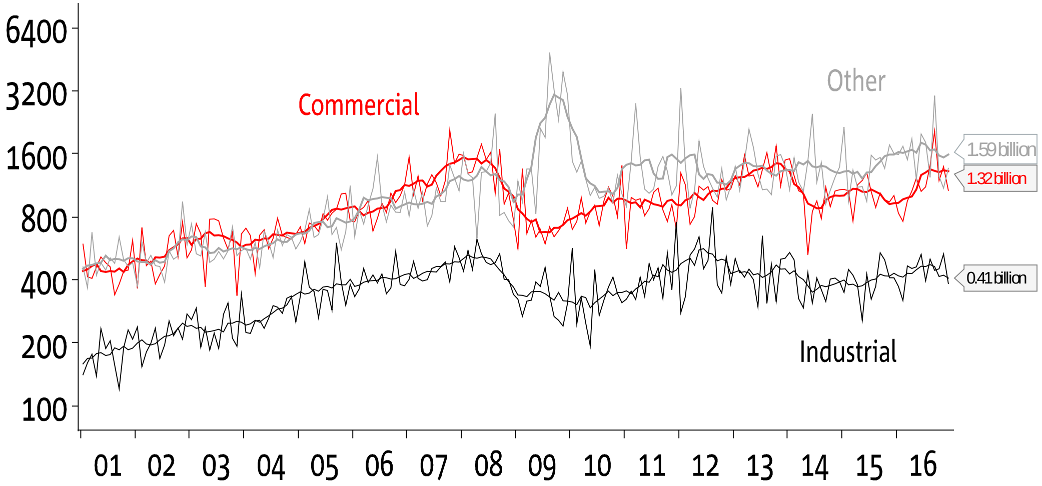
Net balance



* Dotted lines represent the 3mma

NON-RESIDENTIAL BUILDING APPROVALS

$ billions



NAB, Macrobond

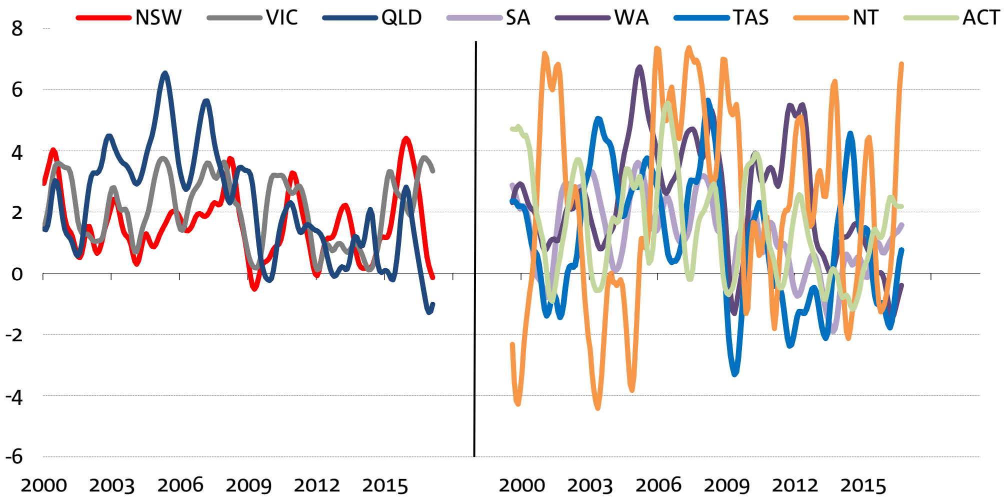
- In March, the NAB Monthly Business Survey results pointed to an overall healthy economy that is gaining momentum, at least in the near-term. **Business conditions** hit their highest level since the GFC, although there is a possibility that Cyclone Debbie introduced some upward bias to the outcome (skewing the sample away from affected firms). Meanwhile, confidence has been relatively muted, but still at solid levels. Of relevance to business investment more specifically, **capacity utilisation** rates rose in the month, while the Survey's indicator of **capital expenditure** improved on already solid levels.
- With that said, firms noted in the survey that their demand for credit declined over the past 3-months, and suggested they are having greater difficulty obtaining credit. Business credit data from the RBA has been disappointingly weak since the start of the year, highlighting the dilemma faced by the RBA (in the context of a booming housing market).
- Other timely indicators of capital expenditure still suggest that firms are reluctant to pull the trigger on big ticket items, despite record low interest rates, an improving global economic environment, and consistently above-average business conditions. Despite a large jump in February, the value of **non-residential building approvals** has been relatively lacklustre since spiking around mid-2016. Trend approvals were down another 3.3% in the month, to be 6.8% lower over the year. Approvals for both commercial and 'other' buildings, where much of the prior improvement was seen, have clearly stalled. In contrast, the value of capital goods imports has risen nearly 5% in the first two months of the year, to be 17.6% higher over the year to February – suggesting solid investment in machinery and equipment.
- Leads on the longer-term outlook for business are mixed. Expectations in the **NAB Quarterly Business Survey** for **capital expenditure in the next 12-months** have held up, but the ABS Private Capital Expenditure Survey tends to suggest that the non-mining investment recovery could lose some momentum in 2017-18 (depending on how the expectations data are adjusted for realisation ratios for historical over/under predictions).
- Underlying business investment (around 12% of GDP) is forecast to rise modestly in 2017 (1.2%). In 2018 and 2019, business investment growth is forecast to improve to 5.5% and 6.5% respectively.

LABOUR MARKET AND WAGES

The worst of mining job losses might be behind us, but wages remain weak

VIC LEADS EMPLOYMENT GROWTH WHILE NSW SLOWS

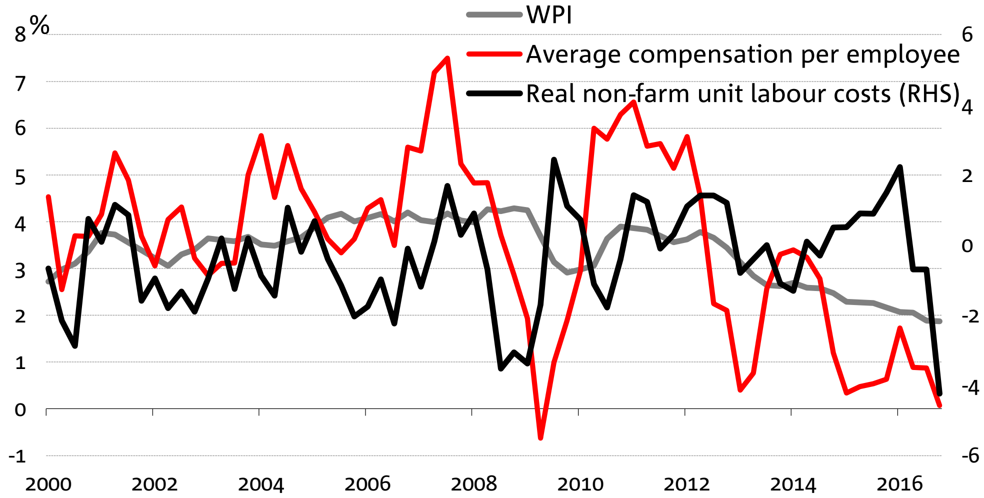
Employed persons (YoY growth %, trend)



Source: ABS, NAB Group Economics

WAGE MEASURES REMAIN SOFT

Year-ended growth, %



Source: ABS, NAB Group Economics

- Readings remain mixed on labour market conditions. While the latest ABS numbers were weak, leading indicators from the NAB Business Survey and job vacancies data are showing more encouraging signs of a labour market improvement. **We expect the unemployment rate to remain broadly unchanged near 5¾% in 2017 and 2018**, with monthly employment gains at around 14.9k, just above breakeven level to stop unemployment from rising. The unemployment rate is then expected to ease modestly to 5.5% by end-19.
- The number of employed persons fell by 6.4k in February. With an unchanged participation rate, this saw the unemployment rate rise to 5.9% (from 5.7%). Full time employment reversed some of last month's losses, up 27.1k, while part time employment fell for the first time since October last year, by 33.5k.
- By state, Victoria continued to report strong employment gains, while the largest losses occurred in Queensland and to a lesser extent Western Australia. However, in trend terms, employment growth in the two mining concentrated states has been improving, consistent with improved business conditions in those states. What is concerning is the weakness in the NSW labour market. This seems contradictory to the continued strength in NSW business conditions in the NAB Business Survey, with NAB research suggesting some overstatement of NSW employment last year which could now be reversing. Alternatively, the broader slowdown in employment may simply reflect the nationwide slowdown in business conditions through much of H2 2016 - this has now reversed and may support employment in coming months.
- Leading indicators including the March NAB monthly business survey are pointing to some more encouraging signs in the labour market. The NAB survey employment index remains above long-run average and is suggestive of annual job creation of 215k. The survey is also pointing to much improved labour market conditions in Queensland and WA (from very negative conditions last year), another sign of improvements in the two mining states.
- Subdued labour market conditions and the shift towards part-time employment have kept wages growth slow. Both average compensation per employee and real non-farm unit labour costs growth fell to at or below zero in Q4 (see Chart). The growth in the wage price index is less affected by changes in labour market composition but has been declining as well. As the negative effects from mining retrenchments (mostly higher paid full-time jobs) dissipate, wages growth is expected to pick up somewhat in 2018.

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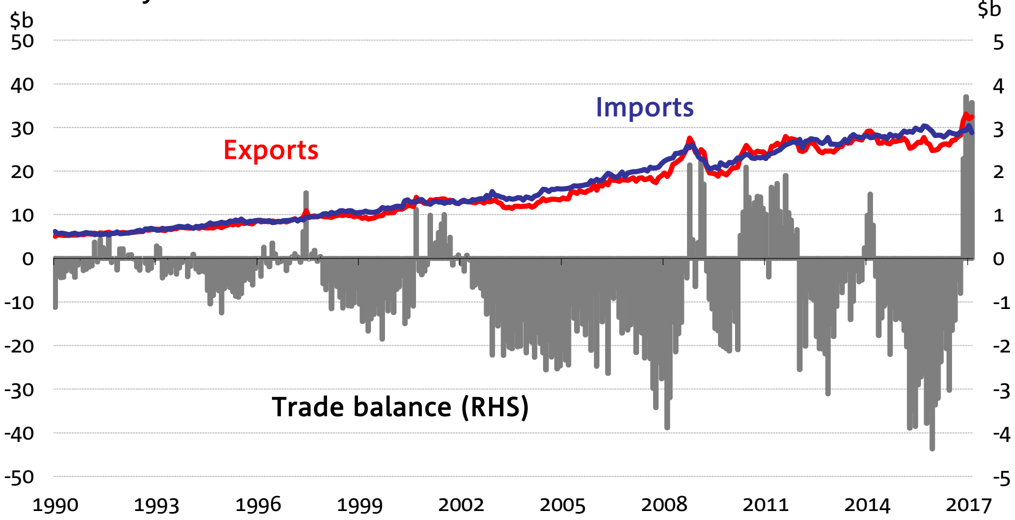
NET EXPORTS, COMMODITIES AND THE TERMS OF TRADE

Net exports to continue to add to GDP growth in 2017

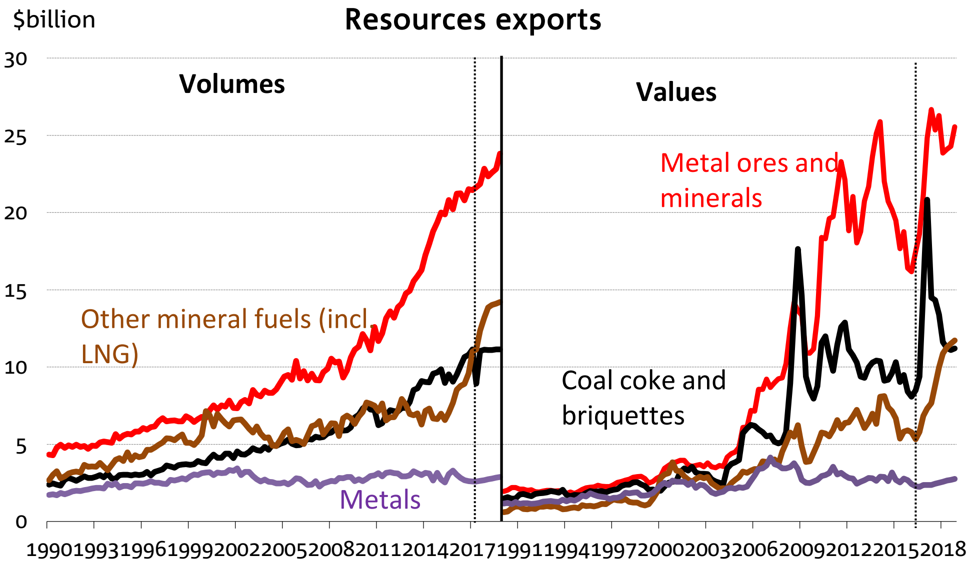
TRADE BALANCE

monthly



RESOURCES EXPORTS VOLUMES RISING STEADILY

Resources exports, volumes and values forecasts



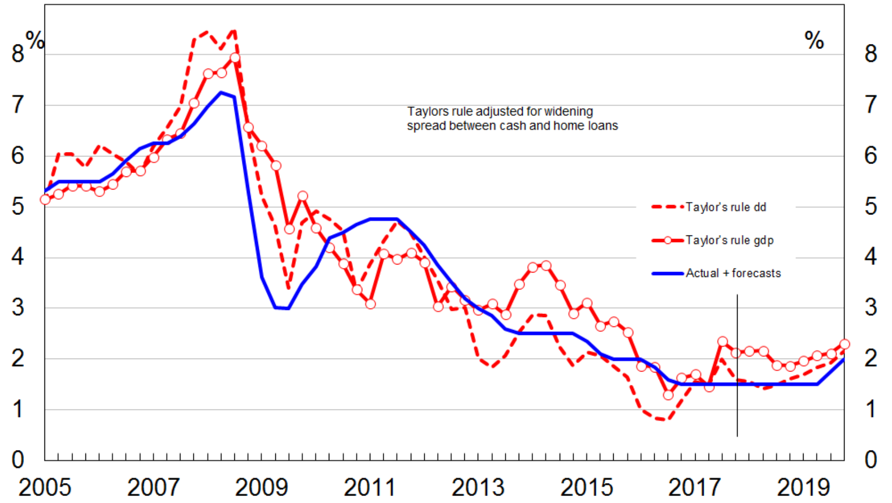
- The trade sector is expected to continue to add to GDP growth in 2017 as large scale LNG projects ramp up production and exports. Net exports are then expected to be neutral for growth in 2018 as LNG exports flatten off.
- Higher commodity prices and to a lesser extent bumper rural export volumes have helped the trade balance move into surplus. The trade balance was in $3.57 billion surplus in February, the fourth month for a trade surplus. Partly offsetting the trade balance is the widening net income deficit as dividends and interest payments are paid on foreign liabilities. Overall we expect the current account to move into marginal surplus in Q1. Higher commodity prices have also boosted Australia's terms of trade, which were up 14% in Q4 2016 from a year ago and are expected to peak in Q1 2017, before declining gradually through 2017 and 2018. By Q4 2017, the terms of trade are forecast to decline by 1.6% from a year ago, and another 6.9% by Q4 2018.
- Cyclone Debbie has caused damage in Queensland, negatively impacting coal exports. Production at several mines was halted before the cyclone hit. Most coal shipments remain suspended through Queensland ports while flooding has forced the shutdown of the coal rail system. The cyclone has also caused damage at popular tourist destinations including Airlie Beach and Hamilton Island. The clean-up and repair could take months after the impact, negatively affecting tourism exports and revenue in the coming months, although the rebuilding effort may support measured GDP growth more broadly over the longer term.
- The outlook for agricultural production is mixed on account of the drier outlook. Last season's winter crop was spectacular, with a record 35 million tonnes of wheat harvested, but the drier outlook is likely to see downward pressure in the 2017-18 season. Latest modelling from the Bureau of Meteorology points to risk of El Niño by winter. Recent rain across parts of Queensland and New South Wales has seen re-stocker cattle prices jump and sheep meat and wool prices remain buoyant.
- For imports, while the drag from falling business investment is dissipating, subdued wages and household consumption growth and forecast weakness in the AUD will limit further imports strength. Services exports, especially education and tourism, are expected to increase further as the global economy improves and income levels in Asia rise. Net services exports are likely to contribute positively to overall GDP growth.

MONETARY POLICY AND THE EXCHANGE RATE

RBA on hold for an extended period, AUD to gradually track down

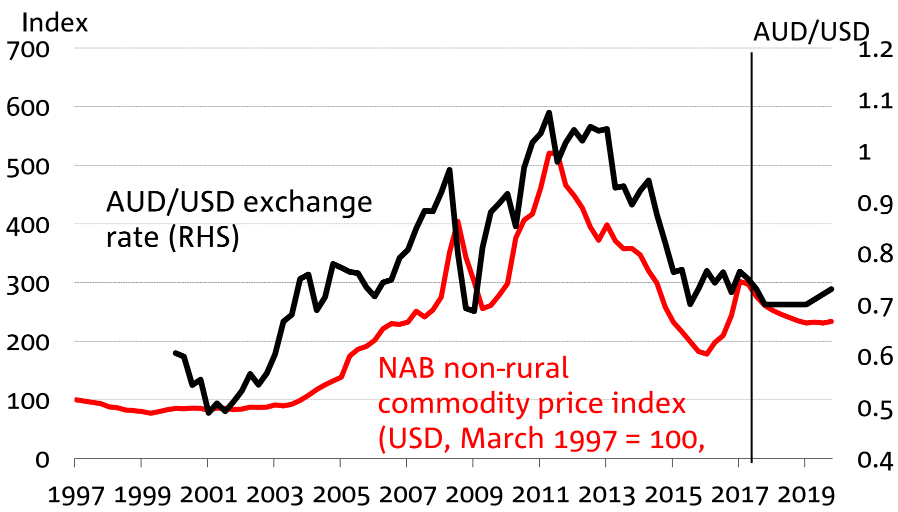
AUSTRALIAN CASH RATE AND TAYLOR RULE

% p.a.



AUD TO CONTINUE ON ITS CURRENT DEPRECIATION TREND

NAB's AUD/USD and commodity price forecasts



Sources: ABS, NAB, Datastream

- Market pricing is shifting away from the probability of higher RBA rates over the next year. This follows the RBA's post-meeting statement on 4 April which acknowledged the recent weakening in the labour market, while at the same time added further emphasis to the role of macro-prudential policy in curbing housing market excesses (ie. the growth of household indebtedness). This promoted the money market to remove any risk of higher RBA rates over the next year. At the start of last week, the implied probability was about one-third.
- The RBA is an inflation-targeting central bank first and foremost. Rate hikes are highly unlikely in our view given forecasts (the RBA's and our own) which see the unemployment rate elevated for a considerable period, and for underlying inflation to remain below or just on the bottom of the target band. Equally, further rate cuts may act to counteract any macro-prudential measures to address household balance sheet risks (as they likely did last year) and are unlikely in the current environment. As such, while the RBA's concerns around household balance sheets are unlikely to be alleviated quickly given recent strength in property prices in Melbourne and Sydney, it is unlikely that the RBA will use the cash rate to address these risks. The RBA may also be hoping to see some extensive measures to address housing affordability issues in the Federal Budget.
- NAB Economics expects the RBA to remain on hold through the remainder of 2017 and 2018, before rates are hiked gradually in 2019 as the economy experiences a gradual cyclical recovery in domestic demand, the unemployment rate eases slightly to around 5½% and underlying inflation returns to the 2-3% target.
- The Aussie dollar has softened over the past few weeks thanks to a combination of reduced market pricing for RBA hikes, a modest decline in global risk sentiment, some signs of softening in the Chinese data and the break of significant technical support in AUD/USD in the 0.7580-85 area.
- Going forward, we expect very gradual AUD depreciation through the remainder of the year, to a low of AUD/USD 0.75 by end-Q2 and 0.70 by end-Q4 2017. Our projections then see the currency as broadly steady through 2018 in USD terms (though depreciating somewhat in trade weighted terms), before strengthening modestly through 2019 to AUD/USD 0.73.

DETAILED ECONOMIC FORECASTS

Australian economic and financial forecasts (a)

	Fiscal Year				Calendar Year				
	2015-16 F	2016-17 F	2017-18 F	2018-19 F	2015	2016	2017-F	2018-F	2019-F
Private Consumption	2.9	2.4	2.1	2.2	2.7	2.7	2.2	2.1	2.4
Dwelling Investment	10.6	3.7	1.1	-2.6	10.0	7.9	2.0	-1.1	-3.5
Underlying Business Investment	-12.2	-6.6	5.7	5.8	-10.1	-11.2	1.3	5.5	6.5
Underlying Public Final Demand	3.6	4.4	2.7	3.1	2.4	4.6	3.2	2.8	3.8
Domestic Demand	**1.4**	**1.8**	**2.6**	**2.4**	**1.3**	**1.6**	**2.3**	**2.4**	**2.7**
Stocks (b)	-0.1	0.2	-0.1	0.0	0.0	0.1	0.0	0.0	0.1
GNE	**1.3**	**2.0**	**2.5**	**2.4**	**1.3**	**1.7**	**2.3**	**2.3**	**2.8**
Exports	6.7	6.2	7.8	3.7	6.0	7.6	6.1	6.1	3.5
Imports	-0.3	4.4	4.8	3.8	2.0	0.4	5.8	3.9	4.4
GDP	**2.7**	**1.8**	**3.2**	**2.5**	**2.4**	**2.5**	**2.3**	**2.8**	**2.6**
Nominal GDP	2.3	6.1	4.8	3.2	1.8	3.6	7.1	3.1	3.9
Federal Budget Deficit: ($b)	-37	-34	-23	-22	NA	NA	NA	NA	NA
Current Account Deficit ($b)	73	13	7	29	77	45	-1	19	36
(-%) of GDP	4.4	0.7	0.4	1.5	4.7	2.6	0.0	1.0	1.9
Employment	2.2	1.1	1.5	1.5	2.0	1.5	1.3	1.5	1.6
Terms of Trade	-10.1	17.8	0.4	-5.4	-11.6	-0.4	18.3	-7.2	-3.4
Average Earnings (Nat. Accts. Basis)	0.9	0.2	1.1	2.0	0.5	0.9	0.3	1.8	2.0
End of Period									
Total CPI	1.0	2.5	2.1	2.1	1.7	1.5	2.4	2.1	2.2
Core CPI	1.6	1.9	1.7	1.9	2.0	1.6	1.8	1.8	2.0
Unemployment Rate	5.7	5.8	5.7	5.6	6.0	5.7	5.7	5.7	5.5
RBA Cash Rate	1.75	1.50	1.50	1.50	2.00	1.50	1.50	1.50	2.00
10 Year Govt. Bonds	1.98	2.80	3.20	3.20	2.88	2.77	3.00	3.20	3.20
$A/US cents :	0.74	0.75	0.70	0.71	0.73	0.72	0.70	0.70	0.73
$A - Trade Weighted Index	62.5	65.9	62.6	62.1	62.7	63.9	63.0	62.0	62.8

(a) Percentage changes represent average annual growth, except for cash and unemployment rates. The latter are end June. Percentage changes for CPI represent through the year inflation.

(b) Contribution to GDP growth

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COMMODITY PRICE FORECASTS

		Spot	Actual	Forecasts								
	Unit	13/02/2017	Dec-16	*Mar-17*	*Jun-17*	*Sep-17*	*Dec-17*	*Mar-18*	*Jun-18*	*Sep-18*	*Dec-18*
WTI oil	US$/bbl	53	49	52	53	55	56	57	58	59	60
Brent oil	US$/bbl	56	51	55	55	57	58	59	60	61	62
Tapis oil	US$/bbl	56	52	56	56	58	59	60	61	62	63
Gold	US$/ounce	1252	1220	1220	1220	1220	1240	1260	1260	1270	1280
Iron ore (spot)	US$/tonne	n.a.	70	87	85	80	75	73	70	68	65
Hard coking coal*	US$/tonne	n.a.	200	285	180	160	140	120	110	105	100
Semi-soft coal*	US$/tonne	n.a.	130	210	131	114	101	87	79	76	72
Thermal coal*	US$/tonne	81	62	62	65	65	65	65	60	60	60
Aluminium	US$/tonne	1912	1710	1850	1840	1830	1830	1810	1790	1790	1790
Copper	US$/tonne	5714	5270	5840	5600	5600	5660	5660	5660	5660	5660
Lead	US$/tonne	2256	2130	2270	2160	2160	2160	2160	2160	2160	2160
Nickel	US$/tonne	10118	10770	10270	10320	10380	10380	10380	10380	10380	10380
Zinc	US$/tonne	2592	2510	2780	2790	2800	2820	2830	2850	2860	2880
Aus LNG**	AU$/GJ	n.a.	6.86	7.28	7.93	8.28	8.54	8.93	9.19	9.32	9.45

* Data reflect NAB estimates of US$/ tonne FOB quarterly contract prices (thermal coal is JFY contract). Actual data represent most recent final quarterly contract price. ** Implied Australian LNG export prices

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