AUSTRALIAN MARKETS WEEKLY

Underemployment dragging on wages growth



In this issue		 In this week's Weekly we look at wages growth in Australia, which has failed to lift despite traditional models of wages consistently forecasting a pick-up.
Infrastructure spending	1	 Recent IMF work (Mohammad 2017¹) has found that traditional models of wages growth have largely underestimated the degree of spare capacity in the labour
Last week, this week Calendar of economic releases	2	market by solely focusing on the unemployment rate. However, when including measures of underemployment (those wanting to work more hours) the models
	3	show a closer fit to historical wages growth.
Forecasts	4	 A decomposition of this analysis finds underemployment and lower inflation expectations can almost fully account for subdued nominal wages growth over the past few years. This has significant implications in interpreting the amount of spare capacity in the labour market and suggests we need to look at both unemployment and underemployment when assessing the outlook for wages growth. It also suggests we are unlikely to get much in the way of wage inflation unless serious inroads are made into underemployment.
		• There are however some reasons for optimism. Measures of underemployment have a close relationship with the difficulty firms report in finding suitable labour (such a relationship could be due to firms gradually using up existing labour capacity amongst employees). The Quarterly NAB Business Survey suggests firms are finding it a bit more difficult on average in finding suitable labour, but that at the moment it is only a minor difficulty.
		• This week, the main local focus will be on the RBA Meeting Tuesday and Wednesday's Q1 GDP. Offshore, the focus will be on the Non-manufacturing ISM tonight, followed by the ECB meeting (Thursday), UK election (Thursday) and the appearance of former FBI Director Comey before the US Senate Intelligence Committee.
To contact NAB's market	F I	Wages low on underemployment and low inflation

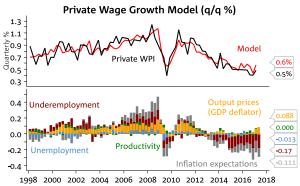
wages low on underemployment and low inflation

The purpose of this note is to alert our readers to new emerging thinking on wages growth, which is a key input into domestic inflation. Over the past year, subdued wages growth has consistently failed to lift despite forecasts by the RBA and Treasury. Despite this divergence, there has been little analysis to date in explaining this divergence.

A recent IMF working paper by Mohommad (2017) has attempted to explain this divergence by incorporating alternative measures of labour market slack into a wage Phillips curve model. The model regresses private wages growth on underemployment and unemployment gap measures, expected inflation, and the GDP deflator to proxy for output prices.

Key markets over the past week										
	Last	% chg week		Last	bp / % chg week					
AUD	0.7451	0.4	RBA cash	1.50	0					
AUD/CNY	5.08	-0.5	3y swap	1.86	-1					
AUD/JPY	82.4	-0.3	ASX 200	5,866	0.8					
AUD/EUR	0.661	-0.5	lron ore	57.8	-0.2					
AUD/NZD	1.047	-0.6	WTI oil	48.3	-3.5					
Source: Bloom	berg									

Chart of the week: Underemployment drags on wages



Source: National Australia Bank, ABS, IMF

experts, please click on

Ask the Economists

Ask the Interest

Rate Strategists

Ask the FX Strategists

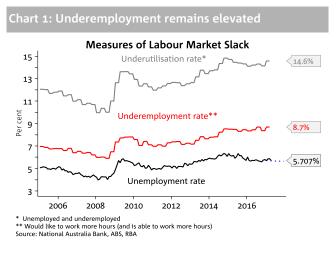
one of the following links:

¹ Mohommad, A., (2017), "Labor Market Adjustment to Shocks in Australia", IMF Working Paper, WP/17/124

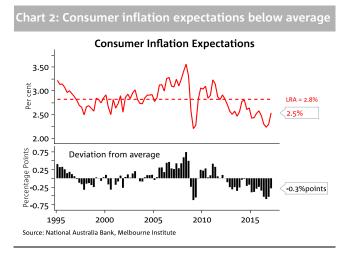
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The results of the model and a decomposition of the contributions is found in Chart of the week. What is evident is the role underemployment has played dragging down wages growth, and together with lower than average inflation expectations has been the major factor weighing on wages growth to date.

The implication from this analysis is that when forecasting wages growth we need to look at wider measures of spare capacity in the labour market. It also suggests we are unlikely to get much in the way of wage inflation unless serious inroads are made into underemployment which is at high levels. That will likely see the RBA and Treasury paying close attention to underemployment measures as well as the headline unemployment rate.



The other component that is surprising in this analysis is the role inflation expectations have played in dragging on wages growth. Research done by the RBA suggests 2/5ths of firms on the Bank's liaison program indicated the CPI was the primary determinant of wage-setting. Rather perversely, that may mean higher headline inflation is required to drive higher wages growth.

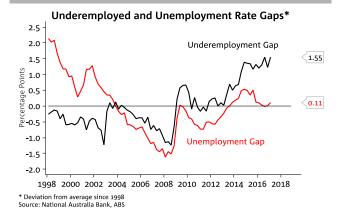


Modelling details

The model is a simple Philips Curve wage model that regresses the change in the wage price index against the unemployment gap, the underemployment gap, changes in unemployment and underemployment, inflation expectations, the GDP deflator and labour productivity. The underemployment and unemployment gaps are measured as a deviation from sample average from 1998. The gaps are meant to represent the degree to which spare capacity is greater than its natural rate (or full employment level). There are of course alternative ways of measuring these gaps, including using HP filters that try to delineate between structural and cyclical components using variations around a trend.

The model can explain around 69% of the variation in wages growth and should be seen as supporting the assertion that the scale of underemployment is important for wages growth.

Chart 3: Underemployment gap rising



Outlook

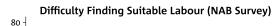
While inroads are likely needed to be made into underemployment to lift wages growth, there are some reasons to hope. Firms are finding it a bit more difficult on average in finding suitable labour which tends to follow wider measures of underutilisation (Chart 4). At the moment most of the difficultly is seen as only a minor constraint, but even the proportion of firms who cite it as a major difficulty is now back to its long-run average.

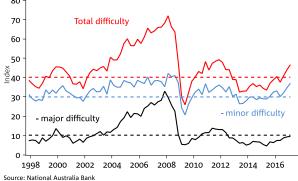


 1998
 2000
 2002
 2004
 2008
 2010
 2012
 2014
 2016
 2018

 Source: National Australia Bank, ABS







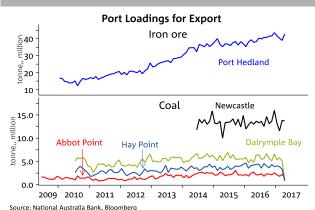
This week

It's a busy week domestically with the RBA Meeting Tuesday (expect firm on hold) and GDP Wednesday. Also out will be the Balance of Payments (Tuesday) and the April Trade Balance (Thursday). Offshore, most focus will be on the ECB meeting (Thursday), UK election (Thursday) and the appearance of former FBI Director Comey before the US Senate Intelligence Committee.

For the RBA Meeting Tuesday the Board is universally expected to be on hold. Given another strong employment report since the last meeting, we wouldn't be surprised to see a neutral to positive tone to the post meeting statement, while some acknowledgment will need to be given to the temporary weakness that is likely to come from Wednesday's GDP print. As for GDP, the market consensus looks for a 0.3% q/q outcome. The partial data to date is suggestive of a flat to a slightly positive outcome, though there is more partial data to come with net exports and government spending figures on Tuesday. NAB's official forecast is for a slight negative GDP outcome of -0.1% q/q.

From a currency perspective, Tuesday's Balance of Payments release could be interesting with some likelihood of Australia recording its first current account surplus since 1975. Thursday's Trade Report is expected to see a markedly lower trade surplus on the back of a hit to QLD coal loadings from Cyclone Debbie (Chart 6)





CALENDAR OF ECONOMIC RELEASES

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEST
	5 June 2017	Period	Forecast	Consensus	Actual	Previous	GIVIT	AEST
NZ	Holiday - Queen's Birthday							
AU	AiG Perf of Services Index	May				53.0	0.30	9.30
JN	Nikkei Japan PMI Services/Composite	May		/		52.2/52.6	1.30	10.30
AU	Melbourne Institute Inflation MoM/YoY	May	10 -	/		0.5/2.6	2.00	11.00
AU AU	Inventories/Company Operating profits QoQ ANZ Job Advertisements MoM	1Q May	0.3/8.0	0.5/5		0.3/20.1 1.4	2.30 2.30	11.30 11.30
CH	Caixin China PMI Services/Composite	May May		1		51.5/51.2	2.45	11.45
JK	New Car Registrations YoY	May		/		-19.8	9.00	18.00
JK	Markit/CIPS UK Services/Composite PMI	May		55/55-5		55.8/56.2	9.30	18.30
JS	Markit US Services/Composite PMI	May F		/		54.0/53.9	14.45	23.45
CA	Bloomberg Nanos Confidence	Jun 2				58.5	15.00	0.00
JS	ISM Non-Manf. Composite	May		57.1		57.5	15.00	0.00
JS Fuesday, •	Factory Orders/ex-Trans	Apr		-0.2/		0.2/-0.3	15.00	0.00
NZ	6 June 2017 Crown Financial Accounts	Apr					23.00	8.00
NZ	Value of All Buildings SA QoQ	1Q	0 (downside risk)	0.3		1.9	23.45	8.45
١Z	Wholesale Trade QoQ	1Q	1.7	-		0.7	23.45	8.45
JK	BRC Sales Like-For-Like YoY	May		-0.5		5.6	0.10	9.10
4U	ANZ Roy Morgan Weekly Consumer Confidence Index	Jun 4				112.2	0.30	9.30
N	Labor Cash/Real Earnings YoY	Apr		0.3/		-0.4/-0.8	1.00	10.00
NZ	ANZ Commodity Price	May	2.9	-1/-0.4		-0.2 -4.0/0.2	2.00	11.00 11.30
	BoP Current Account Balance/Net exports % of GDP Government spending	1Q 1Q	1.2	-1/-0.4		-4.0/0.2	2.30	11.30
	RBA Cash Rate Target	Jun 6	1.2	1.5		1.5	5.30	14.30
iE	Markit Germany Services/Composite PMI	May F		55.2/57.3		55.2/57.3	8.55	17.55
C	Markit Eurozone Services/Composite PMI	May F		56.2/56.8		56.2/56.8	9.00	18.00
R	OECD Economic Outlook	-					9.30	18.30
C	Sentix Investor Confidence	Jun		27.4		27.4	9.30	18.30
C	Retail Sales MoM/YoY	Apr		0.1/2.1		0.3/2.3	10.00 15.00	19.00 0.00
JS CA	JOLTS Job Openings Ivey Purchasing Managers Index SA	Apr May		5737.5		5743.0 62.4	15.00	0.00
JS	Labor Market Conditions Index Change	May				3.5	100	0.00
IZ	Dairy Auction, GDT-weighted price index	may	broadly steady			3.2	early am NZT	
	ay, 7 June 2017							
IZ	ANZ Job Advertisements MoM	May				2.8	23.00	8.00
IZ	Mfg Activity Volume/sa QoQ	1Q		/		-1.8/0.8	23.45	8.45
U	AiG Perf of Construction Index	May		0.3/1.6		51.9	0.30	9.30 11.30
U H	GDP SA QoQ/YoY	1Q May		3045		1.1/2.4 3029.5	3.30	12.30
N	Foreign Reserves Leading Index Cl	May Apr P		104.3		105.5	6.00	15.00
Ε	Factory Orders MoM/YoY	Apr		-0.3/4.7		1.0/2.4	7.00	16.00
JE .	Markit Germany Construction PMI	May		5/4-7		54.6	8.30	17.30
JK	Halifax House Prices MoM	May		-0.2		-0.1	8.30	17.30
JK	Halifax House Price 3Mths/Year	May		3		3.8	8.30	17.30
C	OECD Economic Outlook						10.00	19.00
EC	GDP SA QoQ/YoY	1Q F		0.5/1.7		0.5/1.7	10.00	19.00
CA JS	Building Permits MoM Consumer Credit	Apr Apr		2.5 15		-5.8 16.4	13.30 20.00	22.30 5.00
	8 June 2017	Арі		1)		10.4	20.00	J.00
NZ	ANZ Truckometer Heavy MoM	May				-1.8	23.00	8.00
JK	RICS House Price Balance	May		20		22.0	0.10	9.10
N	GDP SA QoQ/YoY	1Q F		0.6/2.4		0.5/2.2	0.50	9.50
N	BoP Current Account Adjusted	Apr		1624.4		1731.2	0.50	9.50
AU	Trade Balance	Apr	1000	2000 336		3107 262.3	2.30 4.20	11.30 13.20
:H :H	Trade Balance CNY Trade Balance	May May		47.8		38.1	4.40	13.40
CH	Foreign Direct Investment YoY CNY	May	To be released 8-18 June	47.0		-4.3	5.40	14.40
N	Eco Watchers Survey Current/Outlook SA	May	io be released o to same	48.6/48.5		48.1/48.8	6.00	15.00
βE	Industrial Production SA MoM/YoY	Apr		0.5/2.1		-0.4/1.9	7.00	16.00
с	ECB Deposit Facility Rate/Asset Purchase Target	Jun 8		0.3/4.5		-0.3/3.9	12.45	21.45
A	Housing Starts	May		201		214.1	13.15	22.15
CA C	New Housing Price Index MoM/YoY	Apr		0.3/4.5		-0.3/3.9	13.30 13.30	22.30 22.30
EC JS	ECB President Mario Draghi Holds Press Conference Initial Jobless Claims	Jun 3		240		248.0	13.30	22.30
JS	Ex-FBI Director Comey testifies before Senate Intelligen		tee				15.00	0.00
A	BoC Financial Stability Review (Poloz/Wilkins press con						15.30	0.30
riday, 9 J	une 2017							
JK	General election (voting ends 22.00 London time; 7am							
H	CPI/PPI YoY	May	- 0	1.5/5.7		1.2/6.4	2.30	11.30
NU NI	Home Loans # MoM/Investment lending \$ MoM	Apr	-0.8	-1/		-0.5/0.8 -0.2	2.30	11.30 14.30
N JE	Tertiary Industry Index MoM Current Account Balance	Apr Apr		0.5 24.5		-0.2 30.2	5.30 7.00	14.30
ie ie	Labor Costs SA QoQ/YoY	1Q		/		1.5/3.0	7.00	16.00
IK	Industrial Production MoM/YoY	Apr		0.7/-0.3		-0.5/1.4	9.30	18.30
IK	Construction Output SA MoM/YoY	Apr		0.4/-0.3		-0.7/2.4	9.30	18.30
JK	Trade Balance	Apr		-3450		-4900	9.30	18.30
JK	BoE/TNS Inflation Next 12 Mths	May				2.9	9.30	18.30
JK	NIESR GDP Estimate	May		1-1		0.2	13.00	22.00
A	Net Change in Employment/Unemployment Rate	May		15/6.6 83.5		3.2/6.5 82.2	13.30	22.30 22.30
:A JS	Capacity Utilization Rate Wholesale Trade Sales/Inventories MoM	1Q Apr		83.5 /-0.3		82.2 0.0/-0.3	13.30 15.00	0.00
	10 June 2017	Арі		/-0.3		0.0/-0.3	1.00	0.00
CH	New Yuan Loans/Aggregate Financing CNY	May	For release 10-15 June	1000/1200		1100.0/1390.0	9.00	18.00
	g Central Bank Interest Rate Announcements			, 1200		, 19,000		
Australia,		C luir	1 50%	1 50%		1 50%		
ustralia, Europe EC		6-Jun 8-Jun	1.50% -0.4%	1.50% -0.4%		1.50% -0.4%		
JK BOE	<u>ں</u>	8-Jun 15-Jun	-0.4%	-0.4%		-0.4%		
	l Reserve	15-Jun 15-Jun	0.75-1.00%	0.75-1.00%		0.75-1.00%		
apan, Bo		16-Jun	-0.1%	-0.1%		-0.1%		
	ind, RBNZ	22-Jun	1.75%	1.75%		1.75%		
Canada, B	oC	13-Jul	0.5%	0.5%		0.5%		
	enwich Mean Time: AFST: Australian Fastern Standard "							

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

FORECASTS

Economic Forecasts

Annual % change Quarterly % change						е														
				20	15			20:	16		2017				2018					
Australia Forecasts	2015	2016	2017	2018	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption	2.7	2.7	2.2	2.0	0.7	0.6	1.0	0.6	0.9	0.5	0.4	0.9	0.4	0.5	0.5	0.6	0.4	0.5	0.5	0.5
Underlying Business Investment	-10.1	-11.2	0.4	5.4	-3.2	-1.9	-5.5	-2.4	-3.4	-2.3	-5.3	2.1	0.2	1.6	0.7	1.6	1.0	1.6	1.5	1.6
Residential Construction	10.0	7.9	-2.5	2.5	4.8	-1.2	4.3	1.5	3.7	1.9	-1.3	1.2	-5.1	2.6	-0.1	0.4	1.4	-0.2	0.6	0.1
Underlying Public Spending	2.4	4.6	4.2	2.8	1.2	1.8	-1.0	2.1	0.5	2.7	0.2	1.3	1.2	0.9	0.5	0.8	0.7	0.7	0.7	0.7
Exports	6.0	7.6	4.0	5.9	3.7	-2.9	4.6	-0.1	3.3	2.2	1.0	2.2	-0.8	-0.9	4.5	2.4	0.8	0.8	0.7	1.0
Imports	2.0	0.4	5.6	4.6	2.7	0.9	-1.3	0.0	-0.8	2.9	1.2	1.4	1.0	1.8	0.9	1.2	1.1	1.1	1.1	1.1
Net Exports (a)	0.7	1.4	-0.3	0.3	0.2	-0.8	1.2	0.0	1.1	-0.1	0.0	0.2	-0.4	-0.6	0.7	0.2	-0.1	-0.1	-0.1	0.0
Inventories (a)	0.1	0.1	0.0	0.0	0.7	-0.3	-0.1	0.0	0.0	0.3	0.1	-0.2	0.0	0.0	-0.1	0.1	0.0	0.0	0.0	0.0
Domestic Demand - qtr%					0.5	0.5	-0.2	0.5	0.1	0.7	-0.4	1.2	0.2	0.9	0.5	0.7	0.6	0.6	0.7	0.6
Dom Demand - ann %	1.3	1.6	2.1	2.6	1.1	1.4	1.2	1.3	1.4	1.6	1.4	2.1	1.7	1.8	2.7	2.2	2.7	2.5	2.7	2.6
Real GDP - qtr %					1.1	0.2	0.7	0.5	1.1	0.8	-0.5	1.1	-0.1	0.4	1.1	1.0	0.5	0.6	0.6	0.6
Real GDP - ann %	2.4	2.5	1.8	2.9	2.5	2.0	2.4	2.5	2.5	3.1	1.9	2.4	1.3	0.9	2.5	2.4	3.1	3.3	2.8	2.4
CPI headline - qtr %					0.2	0.7	0.5	0.4	-0.2	0.4	0.7	0.6	0.4	0.4	0.6	0.7	0.4	0.4	0.6	0.7
CPI headline - ann %	1.5	1.3	2.1	2.2	1.3	1.5	1.5	1.7	1.3	1.0	1.3	1.5	2.1	2.1	2.0	2.1	2.1	2.2	2.2	2.2
CPI underlying - qtr %					0.6	0.5	0.4	0.5	0.2	0.5	0.4	0.5	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.5
CPI underlying - ann %	2.2	1.6	1.8	1.9	2.4	2.2	2.2	2.0	1.6	1.6	1.6	1.6	1.9	1.8	1.9	1.8	1.8	1.8	1.9	1.9
Wages (Pvte WPI - ann %)	2.1	1.9	1.9	1.9	2.2	2.2	2.1	2.0	2.0	2.0	1.9	1.8	2.0	2.0	1.9	1.8	1.8	1.8	1.9	2.0
Unemployment Rate (%)	6.1	5.7	5.7	5.7	6.2	6.0	6.2	6.0	5.9	5.7	5.6	5.7	5.7	5.8	5.7	5.8	5.7	5.7	5.7	5.6
Terms of trade	-11.6	0.0	13.1	-1.6	-2.5	-4.5	-2.1	-4.2	-1.9	2.1	5.2	9.0	4.9	-0.4	-3.0	-2.1	-2.2	-1.3	-1.3	-1.5
G&S trade balance, \$Abn	-36.8	-14.6	22.5	-0.5	-4.7	-11.4	-8.6	-12.0	-8.4	-7.4	-3.5	4.7	7.6	4.8	5.4	4.6	2.2	0.7	-1.0	-2.5
% of GDP	-2.3	-0.9	1.3	0.0	-1.2	-2.8	-2.1	-2.9	-2.0	-1.8	-0.8	1.1	1.7	1.1	1.2	1.0	0.5	0.2	-0.2	-0.5
Current Account (% GDP)	-4.7	-2.6	-0.6	-2.0	-3.3	-5.2	-4.8	-5.6	-3.6	-3.7	-2.4	-0.9	0.0	-0.8	-0.7	-0.9	-1.5	-1.8	-2.2	-2.5

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

Exchange Rate Forecasts

	5-Jun	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Majors						
AUD/USD	0.7451	0.73	0.71	0.70	0.70	0.70
NZD/USD	0.7117	0.68	0.67	0.67	0.68	0.68
USD/JPY	110.57	114	116	118	120	120
EUR/USD	1.1265	1.12	1.11	1.13	1.15	1.15
GBP/USD	1.2866	1.30	1.29	1.27	1.26	1.25
USD/CNY	6.8036	6.92	6.96	6.97	7.00	7.05
USD/CAD	1.3478	1.33	1.35	1.37	1.37	1.38
Australian Cross Rates						
AUD/JPY	82.4	83	82	83	84	84
AUD/EUR	0.6614	0.65	0.64	0.62	0.61	0.61
AUD/GBP	0.5791	0.56	0.55	0.55	0.56	0.56
AUD/NZD	1.0469	1.07	1.06	1.04	1.03	1.03
AUD/CNY	5.0694	5.05	4.94	4.88	4.90	4.94
AUD/CAD	1.0042	0.97	0.96	0.96	0.96	0.97
AUD/CHF	0.7184	0.71	0.68	0.74	0.71	0.68
Interest Rate F	oreca	sts				
	5-Jun	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18
Aust rates						
RBA Cash rate	1.50	1.50	1.50	4.50	1.50	1.50
			1.50	1.50	1.50	1.90
3 month bill rate	1.73	1.75	1.75	1.50 1.75	1.50	1.75
	1.73 1.85	-	-	-	-	-
3 month bill rate 3 Year Swap Rate 10 Year Swap Rate		1.75	1.75	1.75	1.75	1.75
3 Year Swap Rate	1.85	1.75 2.1	1.75 2.3	1.75 2.3	1.75 2.6	1.75 2.6
3 Year Swap Rate 10 Year Swap Rate	1.85	1.75 2.1	1.75 2.3	1.75 2.3	1.75 2.6	1.75 2.6
3 Year Swap Rate 10 Year Swap Rate Offshore Policy Rates	1.85 2.64	1.75 2.1 3.0	1.75 2.3 3.2	1.75 2.3 3.2	1.75 2.6 3.4	1.75 2.6 3.4
3 Year Swap Rate 10 Year Swap Rate Offshore Policy Rates US Fed funds	1.85 2.64 1.00	1.75 2.1 3.0 1.25	1.75 2.3 3.2 1.50	1.75 2.3 3.2 1.50	1.75 2.6 3.4 1.75	1.75 2.6 3.4 2.00
3 Year Swap Rate 10 Year Swap Rate Offshore Policy Rates US Fed funds ECB deposit rate	1.85 2.64 1.00 -0.40	1.75 2.1 3.0 1.25 -0.40	1.75 2.3 3.2 1.50 -0.40	1.75 2.3 3.2 1.50 -0.40	1.75 2.6 3.4 1.75 -0.30	1.75 2.6 3.4 2.00 -0.20
3 Year Swap Rate 10 Year Swap Rate Offshore Policy Rates US Fed funds ECB deposit rate BoE repo rate	1.85 2.64 1.00 -0.40 0.25	1.75 2.1 3.0 1.25 -0.40 0.25	1.75 2.3 3.2 1.50 -0.40 0.25	1.75 2.3 3.2 1.50 -0.40 0.25	1.75 2.6 3.4 1.75 -0.30 0.25	1.75 2.6 3.4 2.00 -0.20 0.25
3 Year Swap Rate 10 Year Swap Rate Offshore Policy Rates US Fed funds ECB deposit rate BoE repo rate BoJ excess reserves rate	1.85 2.64 1.00 -0.40 0.25 -0.10	1.75 2.1 3.0 1.25 -0.40 0.25 -0.10	1.75 2.3 3.2 1.50 -0.40 0.25 -0.10	1.75 2.3 3.2 1.50 -0.40 0.25 -0.10	1.75 2.6 3.4 1.75 -0.30 0.25 -0.10	1.75 2.6 3.4 2.00 -0.20 0.25 0.90

2.172.502.75**2.77**3.303.35 New Zealand Sources: NAB Global Markets Research; Bloomberg; ABS

2.75

2.90

2.75

2.90

2.75

3.30

3.10 3.00

3.30

3.05 3.00

3.60

2.38 2.17

10 Year Benchmark Bond Yields

Australia

United States

Global GDP

Dec year	2013	2014	2015	2016	2017	2018	20 Yr Avge
Australia	2.1	2.8	2.4	2.5	1.8	2.9	3.4
US	1.7	2.4	2.6	1.6	2.1	2.3	2.6
Eurozone	-0.2	1.2	1.9	1.7	1.9	1.8	1.5
UK	1.9	3.1	2.2	1.8	1.7	1.6	2.4
Japan	2.0	0.2	1.2	1.0	1.2	0.9	0.8
China	7.7	7.3	6.9	6.7	6.5	6.3	9.2
India	6.2	6.9	7.5	7.5	7.4	7.2	6.6
New Zealand	2.2	3.4	2.5	3.1	2.7	2.5	3.0
World	3.4	3.4	3.2	3.1	3.3	3.5	3.5
MTP Top 5	4.1	3.9	4.0	3.8	3.8	3.7	5.0

Commodity prices (\$US)										
	5-Jun	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18				
WTI oil	48.25	54	56	58	59	60				
Gold	1280	1210	1220	1230	1240	1260				
Iron ore	57.8	65	61	60	58	60				
Hard cok. coal	155	210	160	140	120	110				
Thermal coal	76	81	81	81	81	65				
Copper	5648	5610	5550	5550	5550	5550				
Aust LNG (*)	6.12	7.9	8.3	8.5	8.9	9.2				

(*) Implied Australian LNG export prices.

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