EMBARGOED UNTIL: 11.30AM WEDNESDAY 12 JULY 2017

THE FORWARD VIEW - AUSTRALIA

JULY 2017

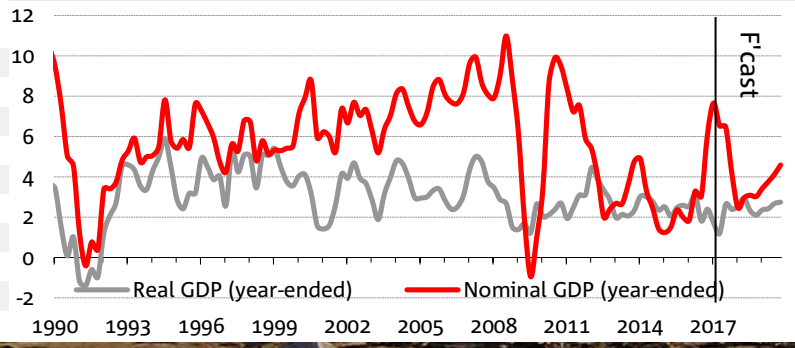
National Australia Bank

Encouraging signs emerging, but long-term headwinds keep RBA on the sideline

- **Revisions to real GDP growth forecasts this month largely reflect a stronger than expected rebound in coal exports** following disruptions from Cyclone Debbie in Q1. **Our forecasts now see net exports contributing 0.3 ppts to Q2 GDP (previously a 0.4ppt subtraction)**, pushing GDP growth up to 0.5% q/q and 1.5% y/y (previously 0.2% q/q and 1.2% y/y). **Further out, we have not fundamentally changed the tone of our forecasts.**
- **The household sector remains a point of relative concern for the outlook.** High levels of household debt, muted wages growth and ailing consumer sentiment all pose significant hurdles, especially as wealth effects from property prices continue to fade. **In stark contrast, improved profit outcomes have seen firms reporting the best business conditions they have seen for years – back around pre-GFC levels – while business confidence is also at lofty levels.**
- **How the disparity will resolve itself is still unclear, although recent indications have been encouraging, with retail conditions in the NAB Survey now showing some signs of improvement off the back of better than expected retail sales in recent months.** Strong employment growth of late and signs of a lift in labour costs in the NAB Business Survey are additional signs that the benefits of solid business conditions may be gradually flowing through to households.
- For now, **we have maintained our forecast for lacklustre growth in household consumption**, but acknowledge that prospect may have improved from where they were a few months ago. A moderate cyclical upturn in non-mining investment is expected, while government investment will help to fill some of the void left by mining investment. **The second half of 2017 will see real GDP growth bolstered by a ramp up in LNG exports** (although most of the strength will be in Q4), before softening to 2% y/y by end-2018 - as LNG peaks and dwelling construction drags, although base effects are also a factor. **For 2019, growth improves moderately to around 2½ % but nearer 3% y/y - as non mining investment and public spending strengthen.**
- In response to the recent strength in official employment data, **we have revised up our near-term expectations for the labour market**. Much of the lift reflects a 'catch-up' with other indicators of employment (such as the NAB business survey employment index) and likely means that growth will stabilise from here, **keeping the unemployment rate steady at around 5½.**
- Given the lingering risks to the outlook, signs of moderation in the housing market, and a reluctance to see the AUD strengthen further, **the RBA should be content with keeping interest rates on hold for an extended period (mid 2019).** Recent data flows have however been more encouraging, and if maintained could raise the prospect of a change in the balance of risks.

	Calendar Year				
	2015	2016	2017-F	2018-F	2019-F
Domestic Demand (a)	1.3	1.5	2.1	2.3	2.6
Real GDP (a)	**2.4**	**2.5**	**2.3**	**2.7**	**2.6**
Terms of Trade (a)	-11.7	-0.3	8.5	-8.4	-3.4
Employment (a)	2.0	1.5	1.7	1.6	1.3
Unemployment Rate (b)	5.9	5.6	5.5	5.5	5.4
Headline CPI (b)	1.7	1.5	2.6	2.4	2.3
Core CPI (b)	2.0	1.6	1.8	2.1	2.2
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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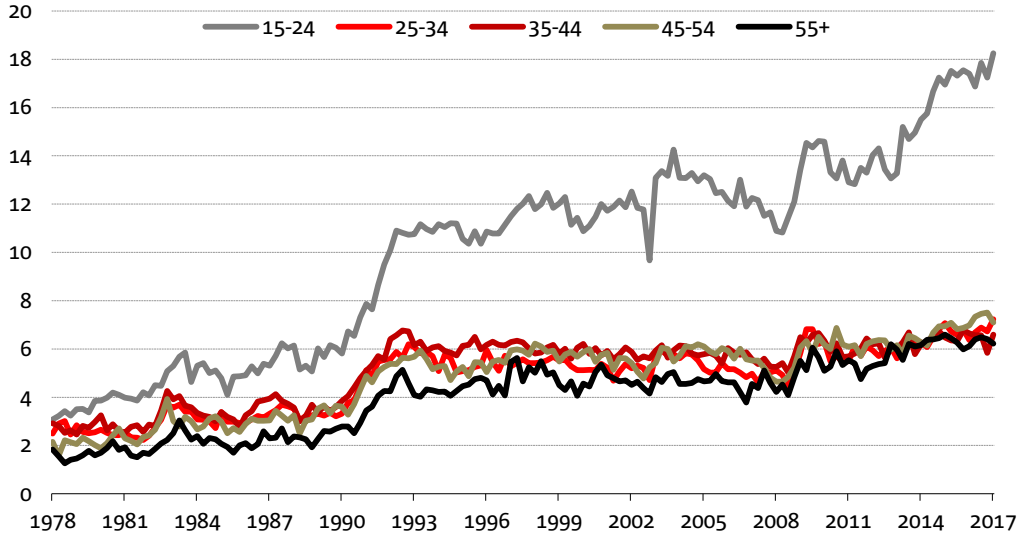
CHARTS OF THE MONTH

Still slack in the labour market and Census shows more high-rises and renters

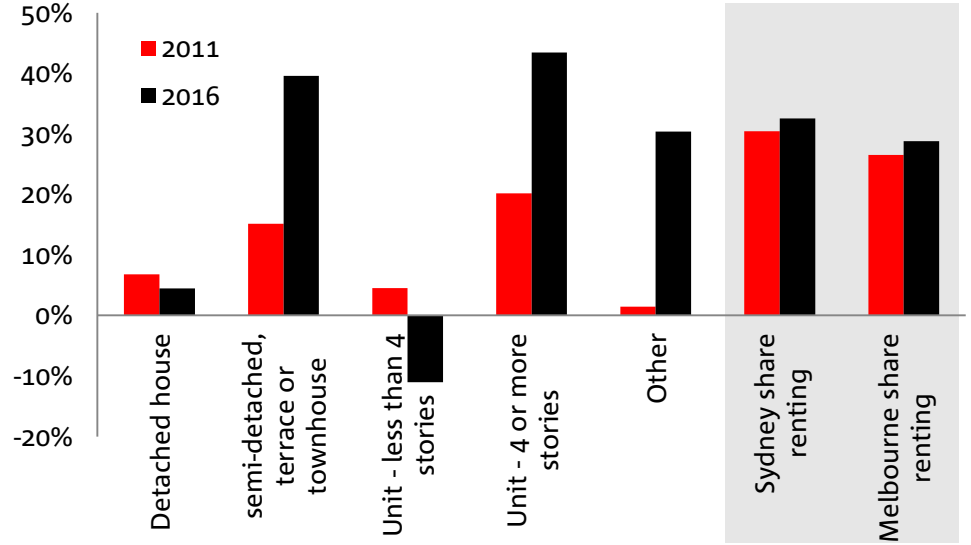
SIGNIFICANT LABOUR MARKET SLACK, ESPECIALLY FOR YOUNG WORKERS

Underemployment rate by age groups



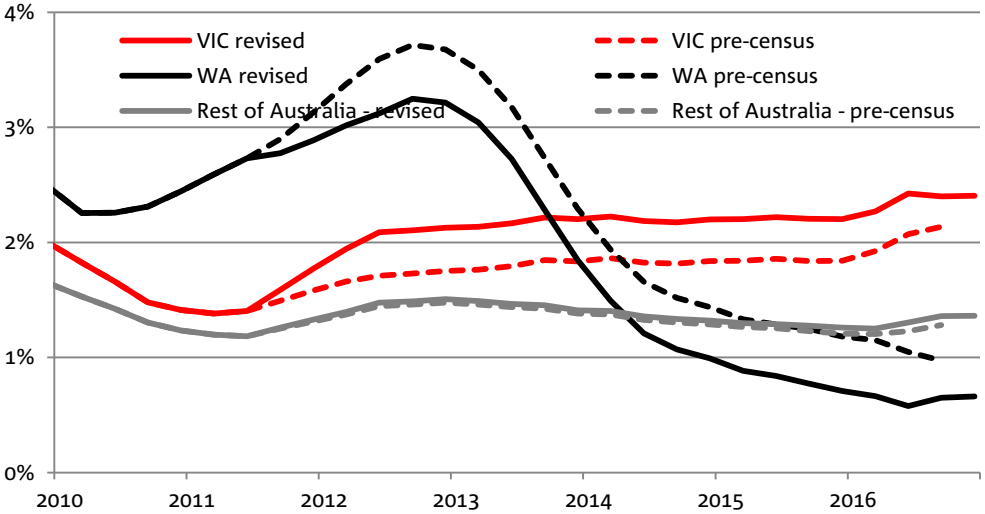
STRONG GROWTH IN TOWNHOUSES AND UNITS, MORE PEOPLE RENTING

Change in number of occupied dwellings and rental share (RHS)



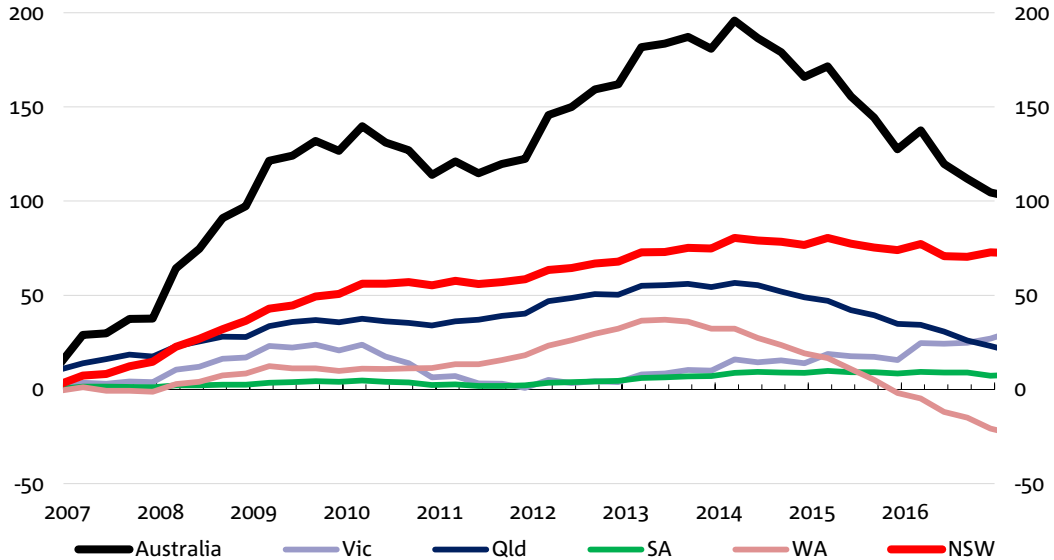
VIC POPULATION MUCH LARGER THAN PREVIOUSLY THOUGHT

Year ended population growth



POST-CENSUS ESTIMATES NOW SHOW HOUSING UNDERSUPPLY IN VIC

Pent-up demand for housing (estimates); thousand dwellings



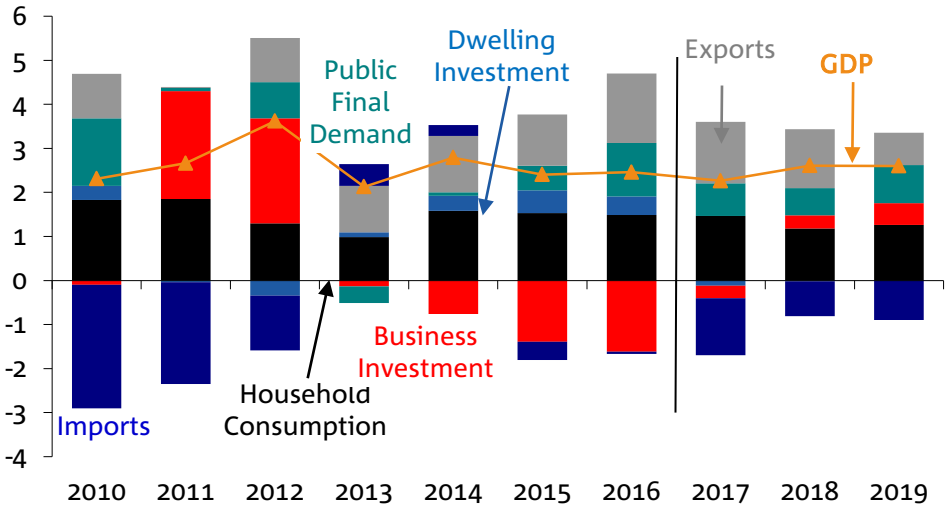
Sources: ABS, NAB

OVERVIEW - AUSTRALIAN ECONOMIC OUTLOOK

Near-term growth revised higher on faster than expected export rebound

ANNUAL AVERAGE FIGURES MASKS VOLATILITY IN GROWTH

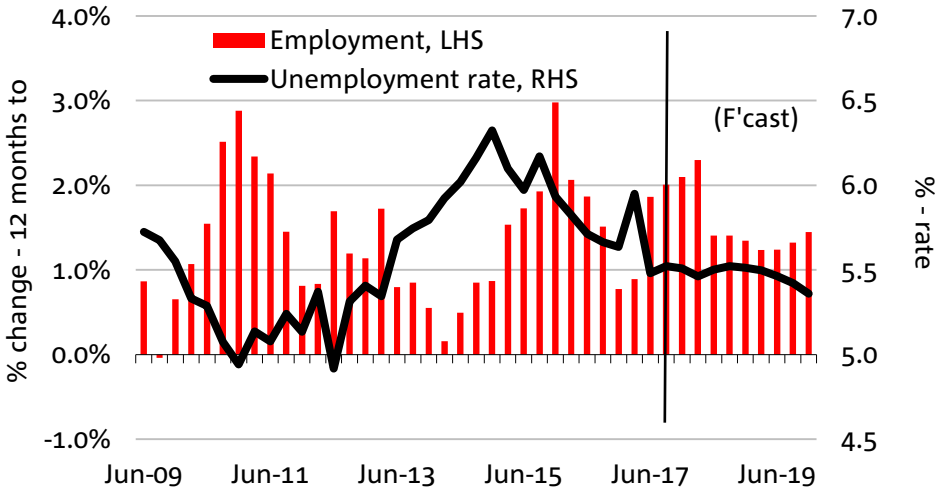
Annual average % change



Source: NAB, ABS

UNEMPLOYMENT TRACKING DOWNWARDS... VERY GENTLY

Employment growth and unemployment rate



Sources: ABS, NAB

- Economic growth has been volatile off the back of temporary disruptions to activity, the most notable being the hit to (primarily coal) exports following Cyclone Debbie in Q1 2017. The disruptions were expected to continue well into Q2, but recent trade data suggests coal exports have rebounded much sooner, and by much more than expected. Consequently, **we have revised up our net export contribution to Q2 GDP considerably**, from a 0.4 ppt contraction to a positive 0.3 ppt contribution, helping to boost our Q2 GDP forecast to 0.5% q/q and 1.5% y/y (previously 0.2% q/q and 1.2% y/y).
- This pace of GDP growth still represents fairly subdued economic conditions and signals a continuation of the slowdown in Australia's average growth rate witnessed over recent years. Looking past the near-term upward revisions, **our forecasts suggest little change to a fundamentally subdued outlook, with annual average growth rates of 2.7% and 2.6% expected in 2018 and 2019 respectively, following 2.3% in 2017.**
- These forecasts do however disguise the diverse trends we are seeing across sectors of the economy, as well as the expected oscillations we can expect from base effects and the timing of major events, such as the peak in LNG exports (late 2018) and the eventual drag from dwelling construction. A moderate cyclical upturn in non-mining investment is expected, while government investment will help to fill some of the void left by mining investment. **One constant is our expectation for lacklustre household consumption, although recent indications have been encouraging on that front**, with retail conditions in the NAB Survey now showing some signs of improvement off the back of better than expected retail sales in recent months. Data going forward will be especially important.
- Recent strength in employment growth is encouraging and could continue in the near-term, but this only brings official statistics back into line with other labour market indicators. **The rate of job creation is then expected to stabilise at around 12-17k jobs per month, which should be enough to stabilise the unemployment rate at around 5½% over the forecast horizon**, although the participation rate will be a swing factor. However, **the rate of underemployment remains high at close to 9% and could remain stubbornly elevated, weighing on wages growth.**
- **Inflation pressures are to remain subdued**, although recent hikes to retail electricity and gas prices will provide a temporary boost. **Inflation only returns to the bottom of the RBA's target band by late 2018 in underlying terms**, which helps prevent any urgency for rate hikes through 2017 and 2018. **Additionally, the RBA will be reluctant to put renewed pressure on the AUD, while the underlying slack in the labour market and signs that the housing market is cooling all suggest the RBA can afford to remain on the sideline.** We expect the RBA's first hike to occur in mid-2019, although the recent flow of economic data has been more encouraging and - if maintained - could raise the prospect of a shift in the balance of risks.

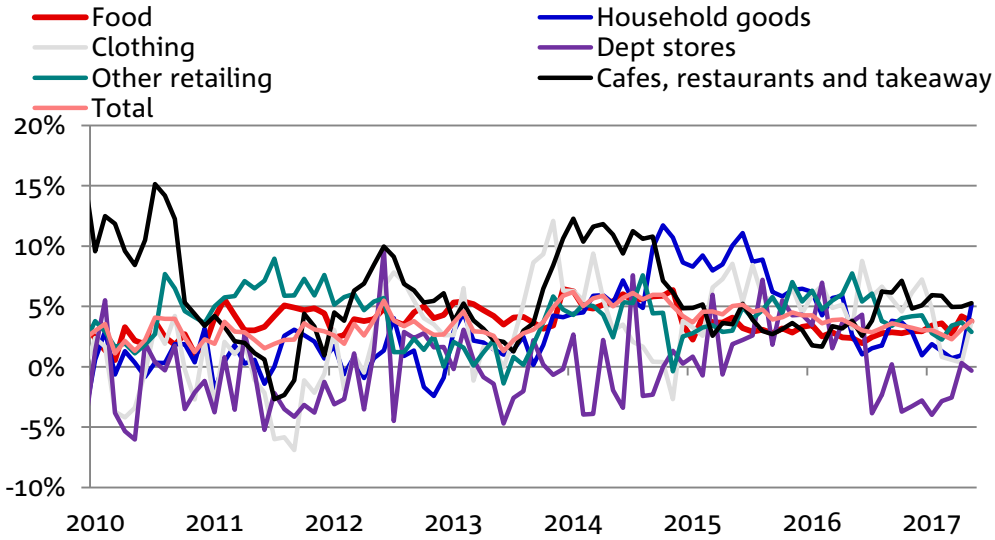
National Australia Bank

CONSUMER DEMAND AND INFLATION

Consumer spending faces long-term headwinds; inflation remains subdued

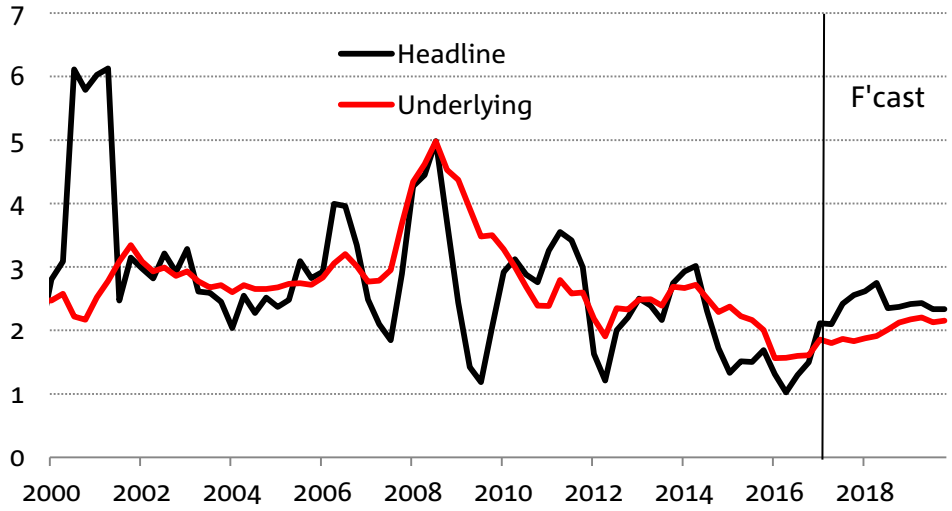
RETAIL TURNOVER GROWTH REMAINS MUTED

Year ended growth (%) seasonally adjusted



INFLATION OUTLOOK SUBDUED

Consumer price inflation, y/y % change



Sources: ABS; NAB Economics

- Consumer spending growth continues to be below average, as households face slow wage growth and the double edged sword of elevated property prices (especially in Sydney and Melbourne, reflecting the ability to draw down equity for some, but large mortgages for others, and the need to save for ever bigger deposits for those hoping to buy). We continue to expect a lacklustre outlook for household consumption given the headwinds from elevated household debt, and a continuation of subdued wages growth.
- However in somewhat more encouraging news, the NAB Monthly Business Survey has started to show a consistent improvement in retail conditions. The sector had languished in negative territory for much of the past 12 months but the recent improvements mean it has once again been replaced by mining as the worst performing sector in the survey.
- While residual seasonality appears to have been an issue of late, ABS retail data for May showed turnover increasing 0.6% m/m, down from 1.0% in April. This follows Q1 2017 National Accounts data, which showed a focus on essentials at the expense of discretionary spending, but consumption remaining in positive territory on a lower household savings ratio. With household income growth subdued, it is likely that at least some of this drawdown is involuntary. The NAB Consumer Behaviour Survey reported a fall in consumer anxiety across all survey measures in Q1.
- The NAB Online Retail Sales Index (NORSI) rebounded in May (+1.3% mom s.a.), following the April contraction (-0.7%,mom s.a.). Year on year growth also improved marginally in May (7.9%). Trend online retail sales (+0.2%) picked up slightly from the previous estimate (0.1%) but remain subdued.
- Headline inflation is expected to be slightly higher in Q2 as Cyclone Debbie raised fruits and vegetables prices, however the extent will be much more contained compared to previous cyclones. Q3 will see headline inflation rise further as energy prices rose significantly on 1 July. A rise in electricity prices of up to 20% could add 0.5 ppts to headline CPI, and will have some flow on effect to core inflation. Underlying inflation is still expected to remain subdued, however, and ongoing spare capacity in the labour market will limit wage inflation -- although price measures from the NAB survey have shown positive improvement. Increasing dwelling supply will keep a lid on rent inflation while retail competition will keep downward pressure on consumer prices. Overall, our inflation outlook is largely unchanged, with core inflation below 2% in 2017 and much of 2018, picking up to 2.2% y/y by end-2019.

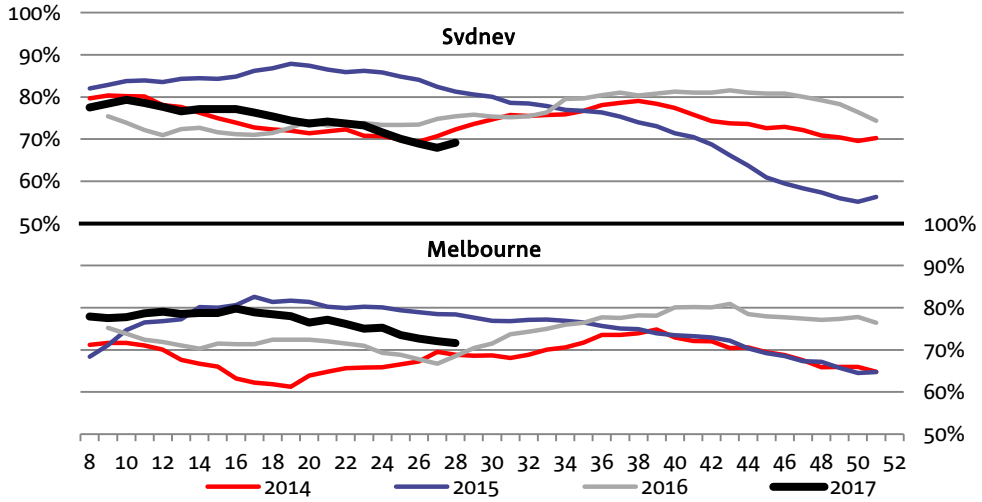
National Australia Bank

THE HOUSING MARKET

Housing market is entering a cooling phase, but in an orderly manner

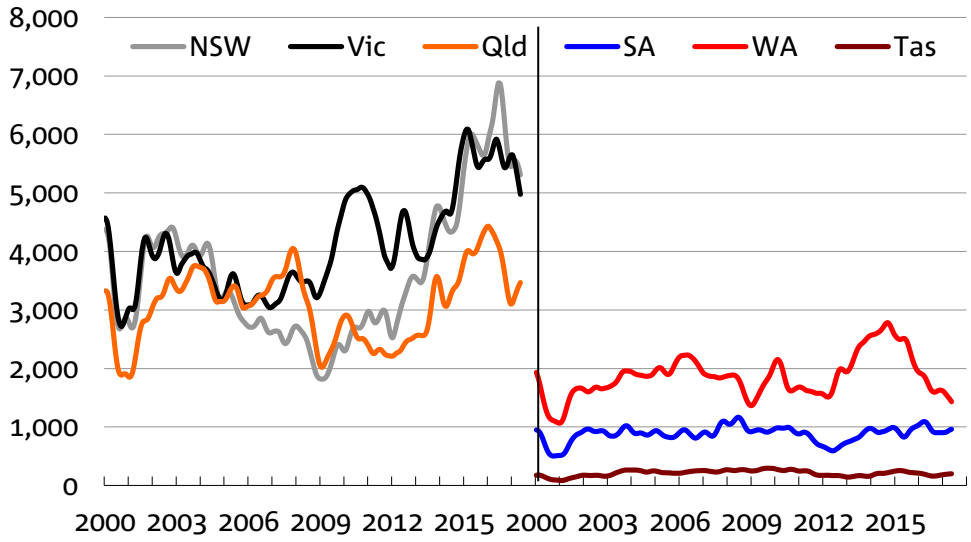
SIGNS THAT THE PROPERTY MARKET IS COOLING

Auction clearance rates (%, 4 week moving average)



RESIDENTIAL BUILDING APPROVALS BY STATE (TREND)

Private dwelling units approved



Sources: ABS; CoreLogic

- Property prices rebounded somewhat from the seasonal soft patch seen in May, indicating that the market pulse actually remains fairly resilient. That said, there are signs that the market is entered a cooling phase, although trends to date remain consistent with an orderly unwind of market exuberance, rather than a sharp and painful correction. According to CoreLogic's hedonic price measure, property prices in 8 capital cities rose 1.8% in June, more than reversing the decline in May, to be up 9.6% over the year. Both Sydney and Melbourne saw a solid rebound, and are up 12.2% and 13.6% over the year. Brisbane and Adelaide have seen much more modest price growth, while prices in both Perth and Darwin are down over the year. The divergence in house and apartment price performance has continued, reflecting oversupply concerns is some cities.
- Auction clearance rates, while not a perfect measure of market performance, provide another timely read on underlying trends. Clearance rates have turned down slightly of late in the two biggest markets of Sydney and Melbourne, down compared to this time last year in Sydney (trend). Meanwhile, mortgage lending has seen steady, albeit subdued, growth in recent months (increasing 0.6% in May to be 6.6% higher over the year), despite recent prudential measures and a modest hike in the standard variable mortgage rate since the start of the year. We had been expecting a more noticeable moderation in investor credit growth following APRA's move to limit interest-only loans, but that is yet to materialise. Investor credit has been rising 0.5-0.8% per month since last July and is up 7½% over the year (up from 4.6% last August, but below the APRA cap of 10%)
- Looming headwinds from prudential tightening, combined with rising housing supply, affordability constraints and modest wages growth (which looks set to continue), suggest the housing market will continue to cool from here -- although an orderly conclusion to the long-running housing boom in major markets is still expected. Our national house price forecasts for 2017 is 7.2%, and 4.3% in 2018. Unit prices are forecast to rise 6.8% in 2017, but will fall modestly in 2018 (-0.4%). However, in light of recent developments, these are likely to be revised lower later this week (to be published with our Q2 NAB Residential Property Survey).
- New building approvals were a little weaker than market expectations in May, but that is consistent with our prediction that the housing construction cycle may be peaking and will soon turn lower. The decline in may was largely driven by a sharp fall in apartment approvals for NSW and Qld. **Overall, dwelling investment is expected to be down in 2017 (revised down due to recent weak outcomes), before seeing modest growth in 2018 and turning negative in 2019 (0.7% and -0.9% respectively).**

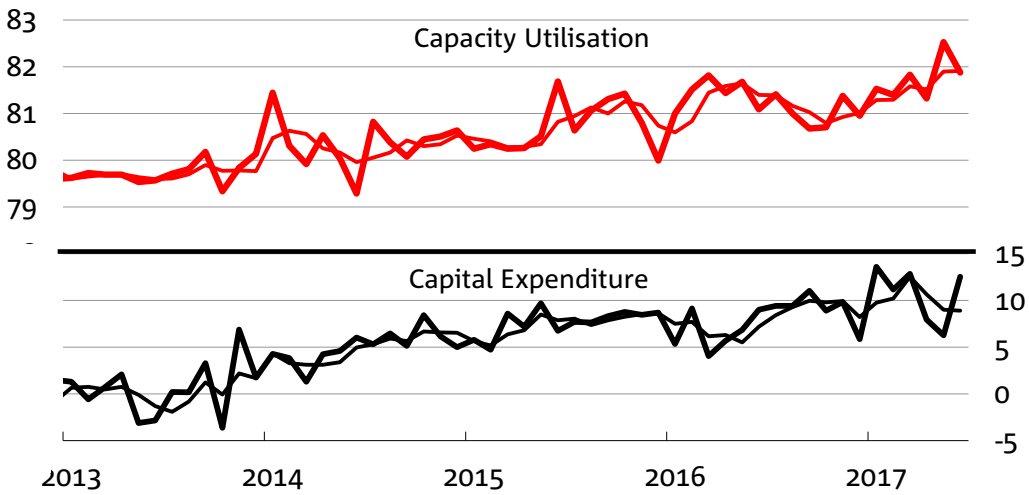
National Australia Bank

BUSINESS ACTIVITY, INVESTMENT AND CONSTRUCTION

Business sector continues to look strong, which will support investment

NAB MONTHLY SURVEY INVESTMENT INDICATORS*

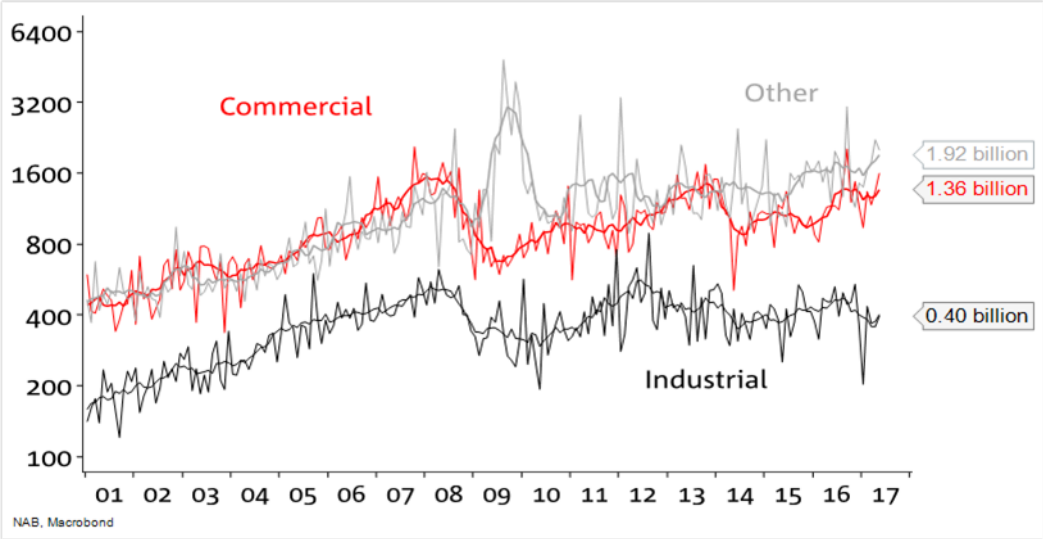
% of capacity; Net balance



* Light lines represent the 3mma

NON-RESIDENTIAL BUILDING APPROVALS

$ billions



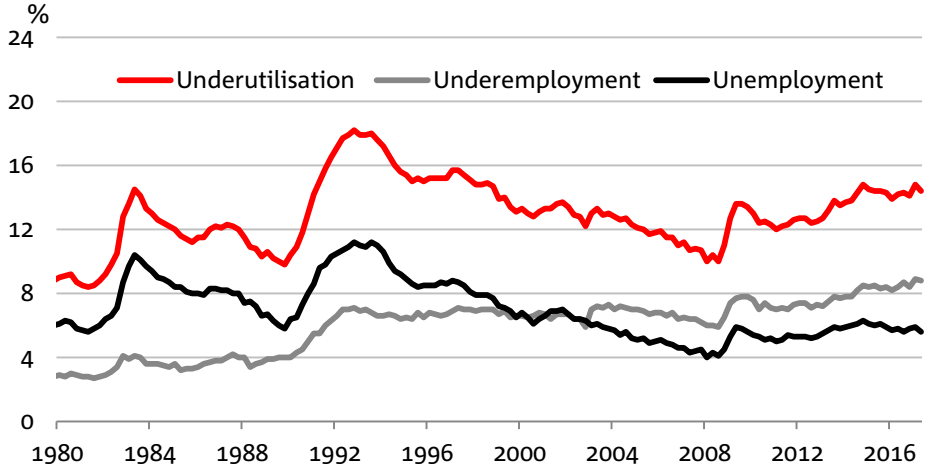
- The June NAB Monthly Business Survey gave a very strong read on the business sector. **Business conditions** jumped to a new multi-year high, returning to around their pre-GFC levels, while confidence also ticked a little higher. **Capacity utilisation** rates eased in the month, but are still elevated, while the Survey's indicator of **capital expenditure** rebounded.
- Strong outcomes on profitability in the NAB Survey should factor positively in firm's spending decisions. While cost rationalisation may have contributed to the result, strong trading conditions (sales) also indicate some assistance from improvements in demand. Additionally, firms noted in the survey that their demand for credit improved over the past 3-months, although they have indicated some difficulty in obtaining credit. In light of that, business credit data from the RBA was disappointingly soft in May, rising just 0.2% m/m and 3.1% y/y – its weakest result since May 2014.
- Other timely indicators of capital expenditure suggest firms have become a little less reluctant to commit to big ticket capital expenditures. The value of **non-residential building approvals** has trended higher for the past few months and increased 4.6% m/m in May (trend terms) to be up nearly 15% over the year. After seasonal adjustment, higher approvals in May were largely driven by commercial buildings (retail, transport, offices etc), although industrial buildings also increased. 'Other' non-residential buildings (health, education, aged care etc) eased slightly, but are at an elevated level and have been trending higher. In contrast, the value of capital goods imports fell nearly 5% in May, although they are up 11.7% over the year, while the recent completion of LNG platforms may boost capital imports in coming months.
- Industry data also showed a surge in car sales during June, with strong demand for utilities helping to drive the result. The Federal Chamber of Automotive Industries cited the Governments instant asset write-off provisions as one of the factors behind the result.
- Leads on the longer-term outlook for business investment are mixed. Expectations in the **NAB Quarterly Business Survey** for **capital expenditure in the next 12-months** have held up, but the outlook for non-mining investment in the ABS Private Capital Expenditure Survey remains stubbornly subdued – although to what degree depends on how the data are adjusted for prediction bias.
- Underlying business investment (around 12% of GDP) is forecast to fall in 2017 (-1.4%). In 2018 and 2019, business investment growth is forecast to improve to 3.4% and 4.7% respectively.

LABOUR MARKET AND WAGES

Official employment growth picking up but how long will it last?

UNDEREMPLOYMENT STILL ON THE RISE

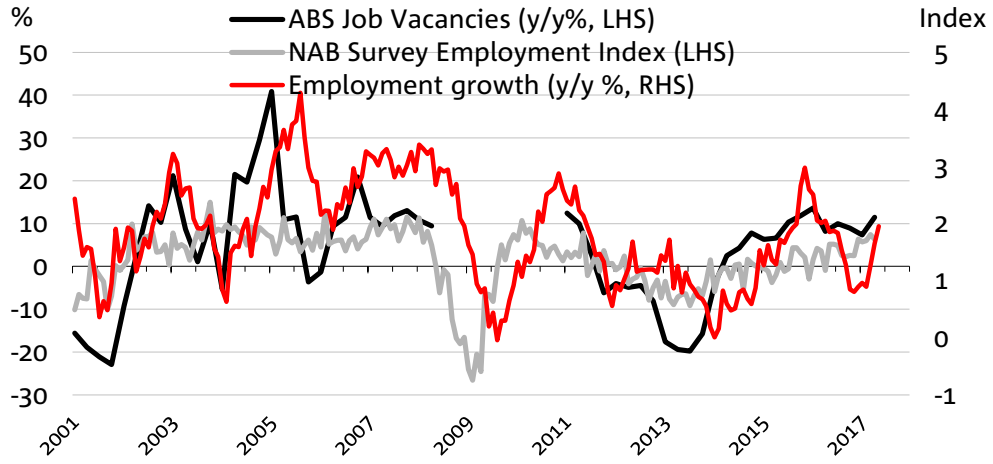
Underutilisation, underemployment and unemployment rates, seasonally adjusted



Source: ABS

EMPLOYMENT GROWTH TENDS TO OVERSHOOT/UNDERSHOOT

Official employment growth & leading indicators



Source: ABS, NAB Economics

- Official ABS data continues to show strengthening in the labour market, with seasonally adjusted employment adding another 42K in May, following a 46K increase in April. Unemployment declined by 18.6K, moving the unemployment rate lower to 5.5% (with participation rate steady at 64.9%). In trend terms, monthly employment grew by 25K in May, slightly down from last month, but a significant improvement from the under 10K monthly gains seen in 2016. The improvement in trend full-time employment is particularly welcoming.
- The continual strength in the official employment numbers seems to be catching up with the more upbeat leading indicators such as the NAB Business Survey and job vacancies data. However, monthly ABS employment series tend to over or undershoot and can be volatile (see bottom chart), so it remains to be seen whether the recent trend is sustained.
- The latest NAB Business Survey for May showed steady employment conditions at +7 points, well above the long-run average. This outcome points to an annual job creation rate of around 240k (around 20k per month) in coming months, which is sufficient to see the unemployment rate push lower (all else unchanged). Employment growth of between 14-17K is currently required to keep the unemployment rate steady (depending on population growth). This suggests some downside risk to our current forecast for the unemployment rate to remain broadly unchanged at around 5½% this year.
- Employment growth varies across states. While Victoria continues to post strong employment gains, consistent with its economic outperformance, the pull-back in NSW employment growth remains perplexing given the states relatively favourable economic prospects (although it follows a period of very strong employment growth in recent years). The continued pick-up in employment growth in QLD and WA suggest the drag from the adjustment to the mining downturn might be nearly over.
- Despite the decline in the unemployment rate and encouraging increases in full time employment, underemployment remains prevalent in the Australian labour market. The rate of underemployment remains high at close to 9% and rising. With this spare capacity in the labour market, wages growth remains subdued. Until further inroads are made into underemployment, we are unlikely to see much in the way of wages growth.

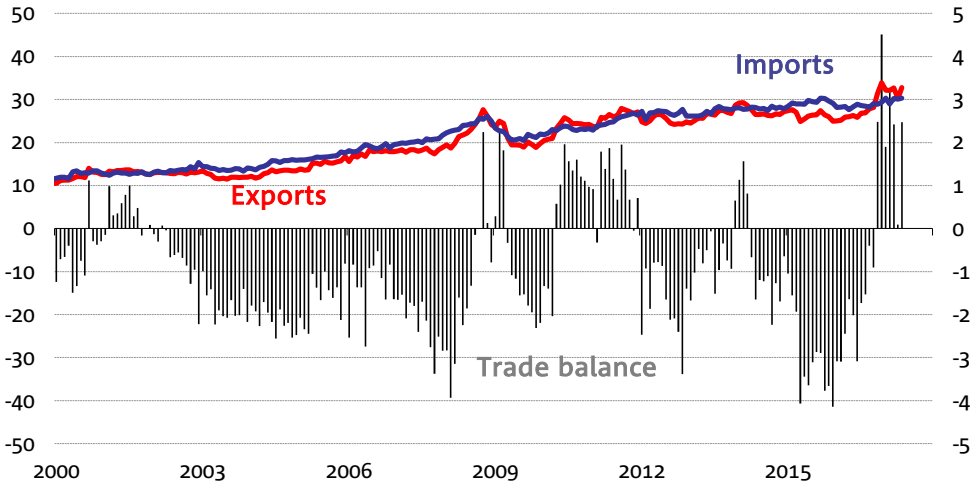
National Australia Bank

NET EXPORTS, COMMODITIES AND THE TERMS OF TRADE

Net exports now expected to contribute to growth in Q2

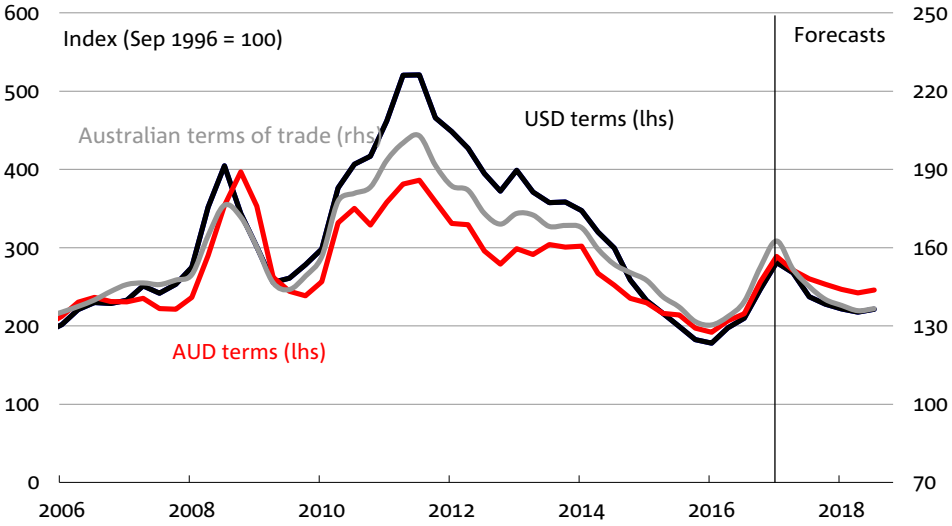
TRADE BALANCE

Monthly, values, $bn



COMMODITIES PRICES RETREATING

NAB Non-rural commodity price index



source: ABARES, ABS, Bloomberg, Thomson Datastream, NAB

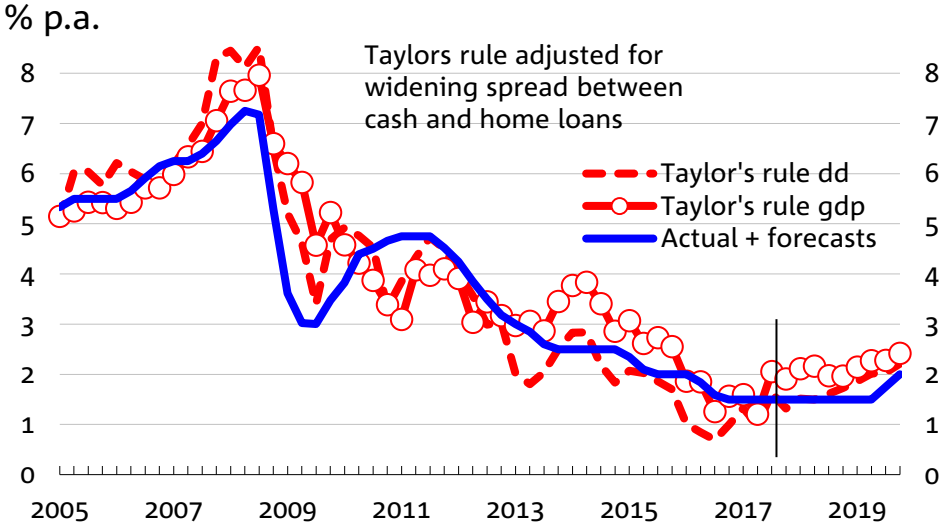
- After a stronger than expected bounce back in coal exports in May, and with LNG exports continuing to ramp up, we now expect net exports to make a positive contribution to GDP growth in Q2, at 0.3 ppts. Exports growth is expected to be strong, while imports are likely to be up as well in the quarter driven by some large capital goods imports, however the timing of which is hard to determine. Looking ahead, exports should continue to grow strongly for the rest of the year, on the back of significant LNG exports. Imports growth will be subdued as domestic demand is slow to recover. Overall net exports are expected to add to GDP growth for the rest of the year, before making detractions in 2018 as LNG exports flatten off.
- May's numbers showed the trade surplus improved to $2.47 billion, from a small $90 million in April when Cyclone Debbie flooded coal mines and shut down coal exports in Queensland and northern NSW. Coal exports have recovered to levels seen before the Cyclone, as closed mines and railway lines reopened. Meanwhile, LNG exports also ramped up in the month, with export volumes up. The effect on Queensland tourism from the Cyclone also seems less than expected.
- The ramping up of production at Wheatstone LNG project has been delayed. We now expect LNG exports to contribute notably to growth in 2017 and 2018, before flattening off in 2019. Due to frequent project delays, forecasting the exact quarterly profile remains difficult.
- Commodity prices have come off their peak in Q1. Coking coal prices retreated from its April peak following production restarts in Queensland. Iron ore prices have also declined. On the other hand, gold price were higher in the quarter despite falling in June, a similar movement in oil prices. Overall the NAB non-rural commodity price index in USD is expected to be notably lower in Q2 compared to Q1, and is forecast to be 7.7% lower year on year by the end of 2017. That will see the terms of trade resume its gradual descent in the second half of this year, once again weighing on domestic income growth
- For rural exports, rainfall (or the lack of it) is the major issue this year. June rainfall levels were well below average across most of major agricultural regions. Our initial wheat production forecast is 23.3 million tonnes, a decline of over a third compared to last year's record breaking season. If it stays dry we expect further downside risks to this outlook. Dairy production could come under pressure if pasture growth is below average. Conversely, dry conditions ha already seen an uptick in cattle slaughter. If it remains dry, production is li be higher for some months before declining again.

National Australia Bank

MONETARY POLICY AND THE EXCHANGE RATE

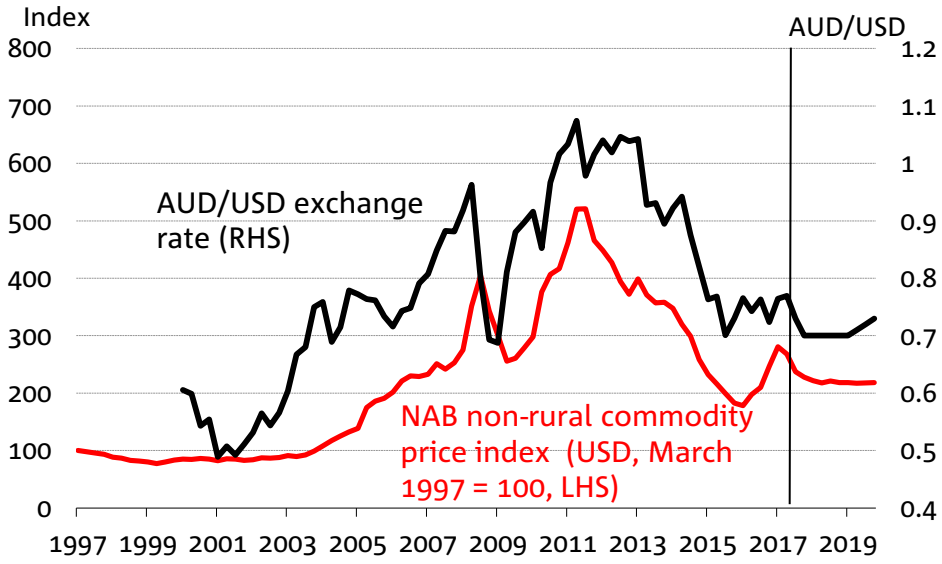
RBA in no rush to raise rates, despite hawkish lead from other central banks

AUSTRALIAN CASH RATE AND TAYLOR RULE



AUD STILL EXPECTED TO LOSE SUPPORT LATER THIS YEAR

NAB's AUD/USD and commodity price forecasts



Sources: ABS, NAB, Datastream

- As was widely expected, the RBA kept the cash rate unchanged at 1.5% at its July meeting. However, the market had been looking for a decisively more hawkish tone from the RBA following a run of relatively solid economic data and what seemed to be a coordinated move by major global central banks to signal a shift in policy stance. The RBA did not bite, however, sticking to their usual messaging and making surprisingly few alterations to the post meeting statement. The reference to 'mixed' labour market indicators was maintained despite the recent strength in employment and falls in the unemployment rate, although that likely reflects the stubbornly elevated underemployment rate and subdued wages growth. Interestingly, the statement removed the previous reference to GDP growth being a little over 3% over the next couple of years – a rate well above our estimates of Australia's long-run growth potential. That could signal less confidence in the outlook.
- Our own forecasts have been revised a little higher in the near-term, but we continue to see downside risk to the RBA's forecasts for growth of 2¾ - 3¾% into 2018 and 2019. Additionally, with significant slack still in the labour market, wages and inflation data looking subdued and the housing market apparently cooling, there appears to be no urgency for the RBA to hike – although there will be some near-term inflation shocks that need to be monitored (such as the recent hikes in retail energy prices). The RBA should be content with keeping interest rates on hold for an extended period (a hike not expected until mid-2019), although recent data flows have been more encouraging, and if maintained, could raise the prospect of an earlier Reserve Bank starting date..
- The AUD/USD traded in a 3.3 cent range in June with the monthly low of 0.7374 recorded on the first day of the month and the 0.7708 high on the last. This was the first time the AUD/USD traded above 77 cents in just over three months. The appreciation against the USD was pretty steady throughout June, but the drivers of this outperformance varied over the course of the month. Better than expected domestic data releases boosted the AUD in the first half of the month while broad USD weakness, amid a shift in monetary policy signalling by many developed central banks, weighed on the USD during the latter part of June.
- We are maintaining our forecast for a firmer US dollar in the second half of this year, but are less confident the conditions for such a revival will fall into p[illegible] early as Q3. Hence we have adjusted our end-Q3 forecast to now have AUD/USD at 0.73 by end Q3 from 0.71 previously while maintaining out 0.70 year-end forecast.

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	2.5	2.0	2.7	2.6	2.6	2.1	2.2
Dwelling Investment	10.5	1.4	-0.1	-0.3	10.1	7.6	-2.0	0.7	-0.9
Underlying Business Investment	-12.2	-7.7	2.5	3.7	-9.9	-11.6	-1.4	3.4	4.7
Underlying Public Final Demand	4.0	3.8	2.6	3.1	2.6	4.6	2.7	2.7	3.8
Domestic Demand	**1.4**	**1.6**	**2.4**	**2.3**	**1.3**	**1.5**	**2.1**	**2.3**	**2.6**
Stocks (b)	-0.1	0.2	-0.1	0.0	0.0	0.1	0.1	-0.1	0.1
GNE	**1.4**	**1.8**	**2.3**	**2.3**	**1.3**	**1.6**	**2.1**	**2.2**	**2.7**
Exports	6.7	7.1	8.0	3.5	6.0	7.9	6.7	6.0	3.2
Imports	-0.3	4.5	5.1	3.6	2.0	0.2	6.3	4.0	3.9
GDP	**2.7**	**1.9**	**3.0**	**2.3**	**2.4**	**2.5**	**2.3**	**2.7**	**2.6**
Nominal GDP	2.4	5.6	3.5	3.4	1.8	3.6	5.6	2.8	4.0
Federal Budget Deficit: ($b)	-37	-34	-23	-22	NA	NA	NA	NA	NA
Current Account Deficit ($b)	74	26	51	74	77	45	34	64	82
(-%) of GDP	4.5	1.5	2.8	4.0	4.7	2.6	1.9	3.5	4.3
Employment	2.2	1.3	1.9	1.3	2.0	1.5	1.7	1.6	1.3
Terms of Trade	-10.1	13.8	-6.2	-5.0	-11.7	-0.3	8.5	-8.4	-3.4
Average Earnings (Nat. Accts. Basis)	0.9	0.3	1.5	2.0	0.5	0.8	0.8	1.9	2.1
End of Period									
Total CPI	1.0	2.1	2.7	2.4	1.7	1.5	2.6	2.4	2.3
Core CPI	1.6	1.8	1.9	2.2	2.0	1.6	1.8	2.1	2.2
Unemployment Rate	5.7	5.5	5.5	5.5	5.9	5.6	5.5	5.5	5.4
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	2.60	3.05	2.90	2.88	2.77	2.85	2.90	3.00
$A/US cents :	0.74	0.77	0.70	0.71	0.73	0.72	0.70	0.70	0.73
$A - Trade Weighted Index	62.5	65.5	61.9	62.0	62.7	63.9	61.6	61.9	62.4

(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	06/07/2017	Mar-17	Jun-17	*Sep-17*	*Dec-17*	*Mar-18*	*Jun-18*	*Sep-18*	*Dec-18*
WTI oil	US$/bbl	46	53	49	50	51	52	54	56	58
Brent oil	US$/bbl	49	55	52	52	53	54	56	58	60
Tapis oil	US$/bbl	49	56	52	53	54	55	57	59	61
Gold	US$/ounce	1224	1220	1276	1240	1240	1260	1270	1290	1290
Iron ore (spot)	US$/tonne	n.a.	86	64	61	60	58	60	62	60
Hard coking coal*	US$/tonne	n.a.	285	195	160	140	120	110	105	100
Semi-soft coal*	US$/tonne	n.a.	210	142	114	101	87	79	76	72
Thermal coal*	US$/tonne	75	62	85	85	85	85	65	65	65
Aluminium	US$/tonne	1933	1850	1906	1900	1900	1880	1860	1860	1860
Copper	US$/tonne	5824	5837	5668	5660	5720	5720	5720	5720	5720
Lead	US$/tonne	2265	2275	2106	2160	2160	2160	2160	2160	2160
Nickel	US$/tonne	9037	10273	9224	9270	9270	9270	9270	9270	9270
Zinc	US$/tonne	2783	2777	2593	2600	2610	2630	2640	2650	2670
Aus LNG**	AU$/GJ	n.a.	8.36	7.48	7.29	7.77	7.90	8.03	8.28	8.54

* 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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