

Agribusiness at a glance November 2024

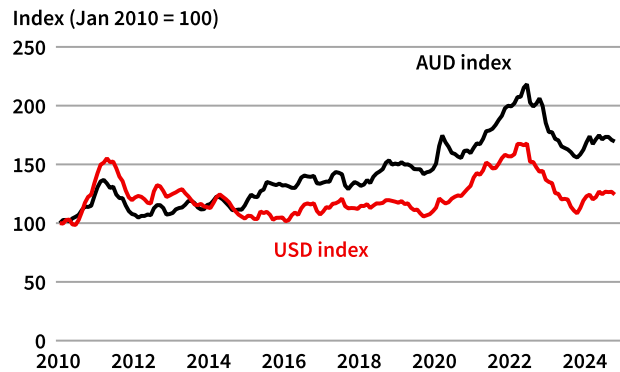


NAB Group Economics

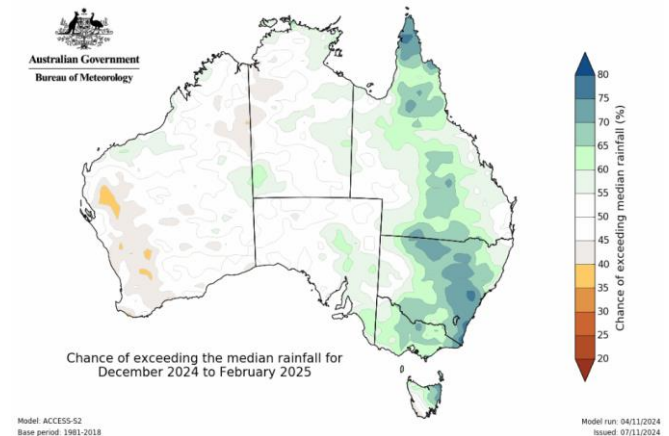
Overview

- The **NAB Rural Commodities Index** was slightly softer in October – down by 0.8% month-on-month in Australian dollar (AUD) terms. The decline was larger in US dollar terms, down by 1.8%, as the AUD gave up some of the gains it made in September.
- There were divergent trends among individual agricultural commodities. **Cattle** prices trended lower across October, while **barley** and **oats** were also softer. In contrast, **wheat** prices stabilised following a recovery from its lows of late August.
- **Rainfall conditions** remained mixed in October – with very weak rainfall in Tasmania, western & eastern Victoria, south-eastern NSW, southern Queensland, south-western WA, south-eastern & northern SA and inland NT. In contrast, there was strong rainfall in most of WA, western SA and the north of NT and Queensland.
- The **BoM's forecasts** for December through February see above average rainfall across most of eastern Australia, while the rest of the country sees broadly average rainfall. Northern and eastern Australia are expected to record unusually high minimum temperatures. Climatic conditions, as measured by the El Nino-Southern Oscillation (ENSO) index, are expected to remain neutral in the near term but edging closer to El Nino (though not reaching) thresholds in mid-autumn.
- From a broader **economic perspective**, we have pushed our back our forecast for the RBA's first rate cut to May 2025 (from February), given that labour market conditions have been stronger than expected. US economic policy is set to change (following the election of Donald Trump as president) but there remains uncertainty around the timing and scale of these changes. We have lowered the forecast for the AUD/USD to US 66 cents at the end of 2024, reflecting the continuing strength of the US economy and the policy shifts likely under the new US administration, including tariff increases. We now expect the AUD to weaken in the first half of 2025, before moving up to US 67 cents by the end of 2025.

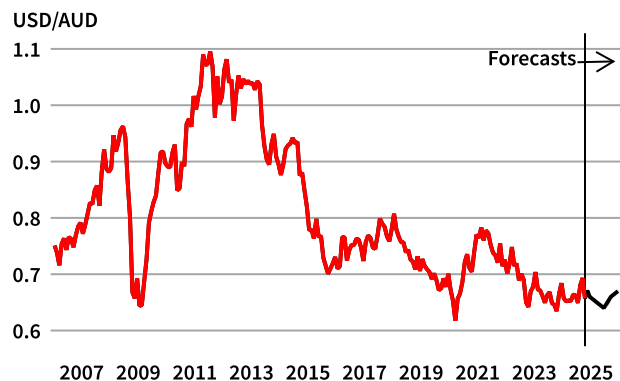
NAB Rural Commodities Index



BoM rainfall forecast – December through February



Weaker AUD outlook post US election



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