



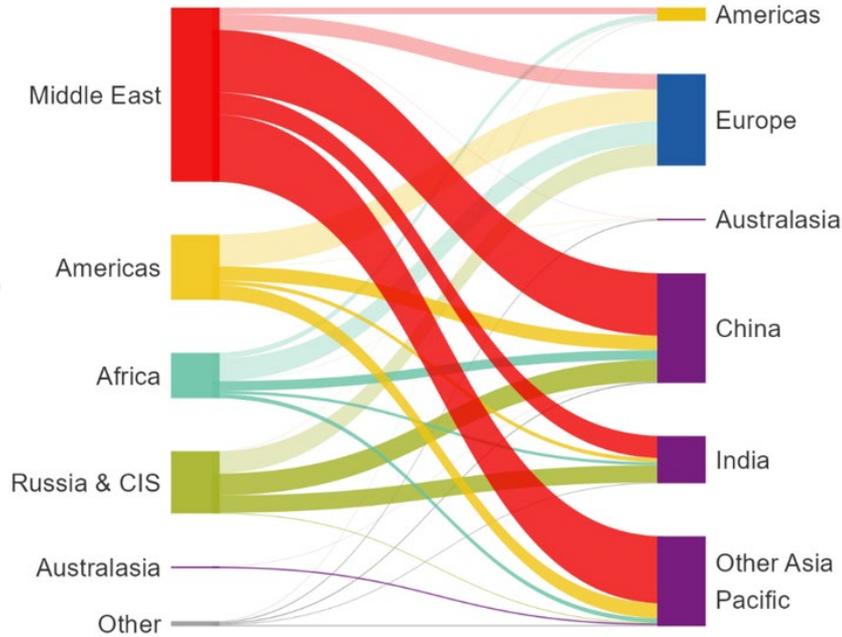
Australian Economic Update

A second attempt at
landing

Oil and Oil products

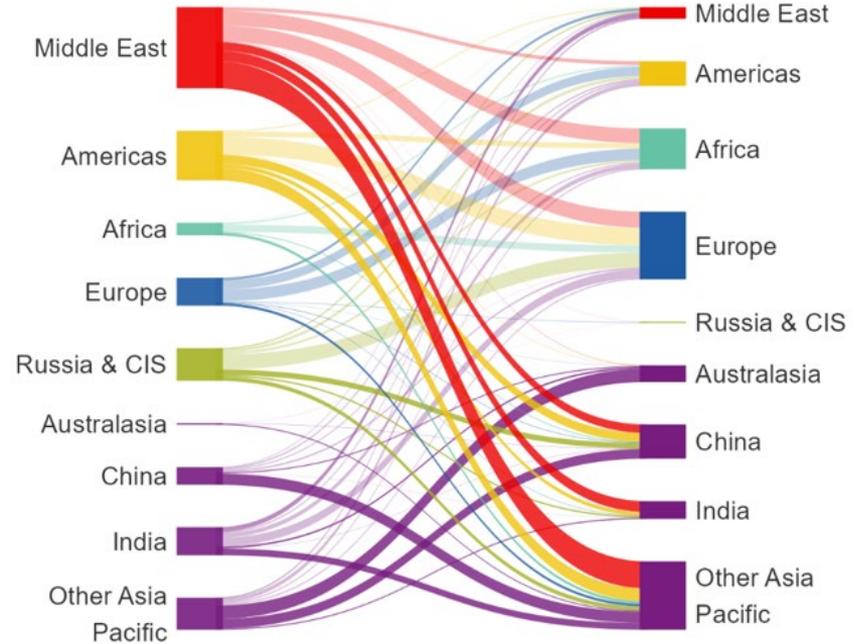
- Middle Eastern surplus goes to APAC

Inter-area movements 2024 – Crude trade flows from exporters (left) to importers (right)



Source: National Australia Bank, Energy Institute Statistical Review of World Energy

Inter-area movements 2024 – Refined products flows from exporters (left) to importers (right)

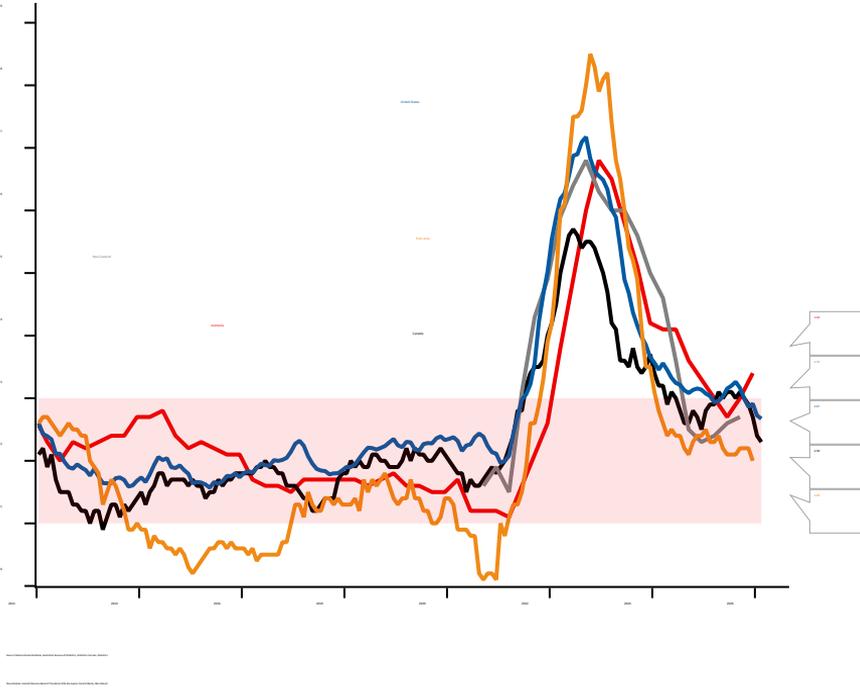


Source: National Australia Bank, Energy Institute Statistical Review of World Energy

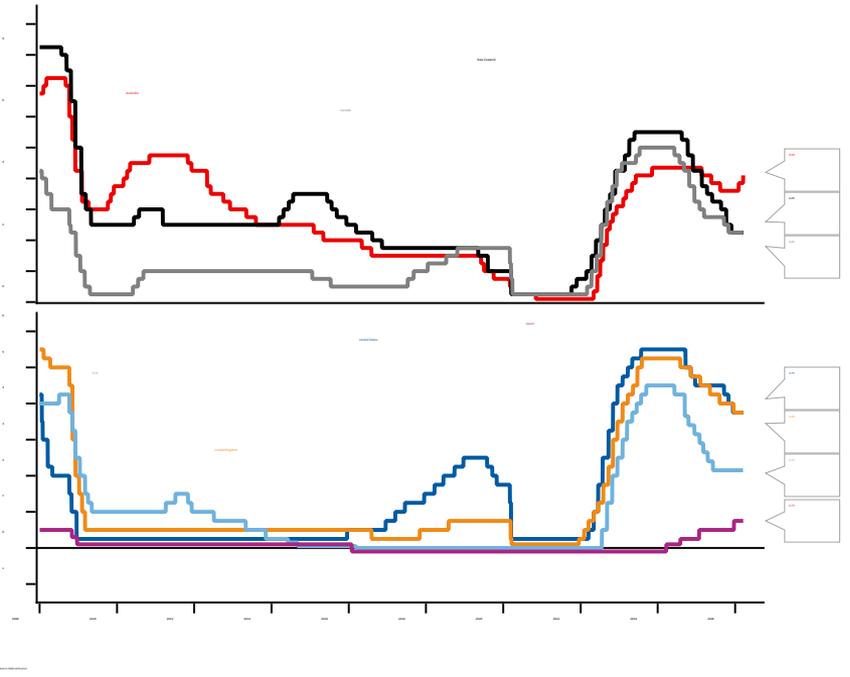
The global rates cycle is coming to an end

But inflation remains near the top of target ranges...

Underlying Inflation by Country



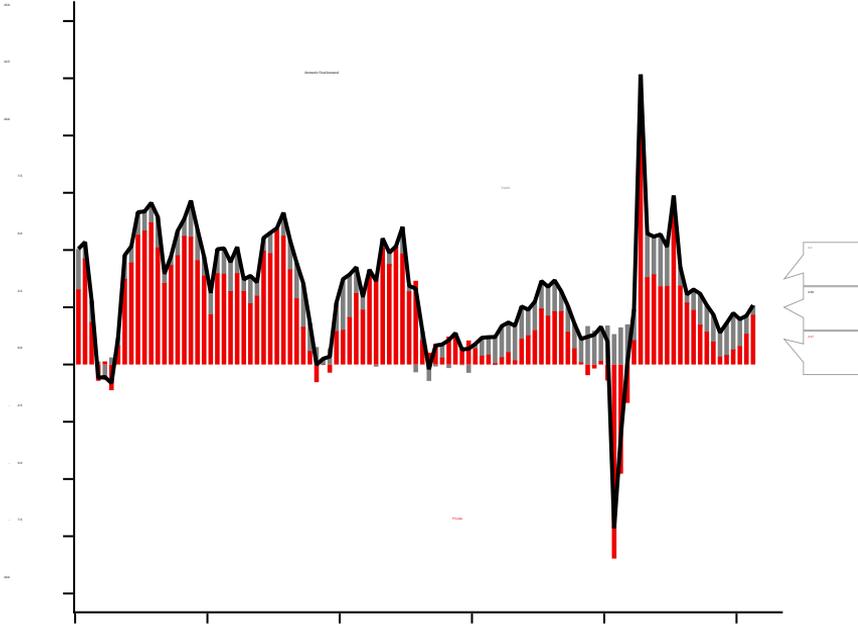
Monetary Policy Rates (%)



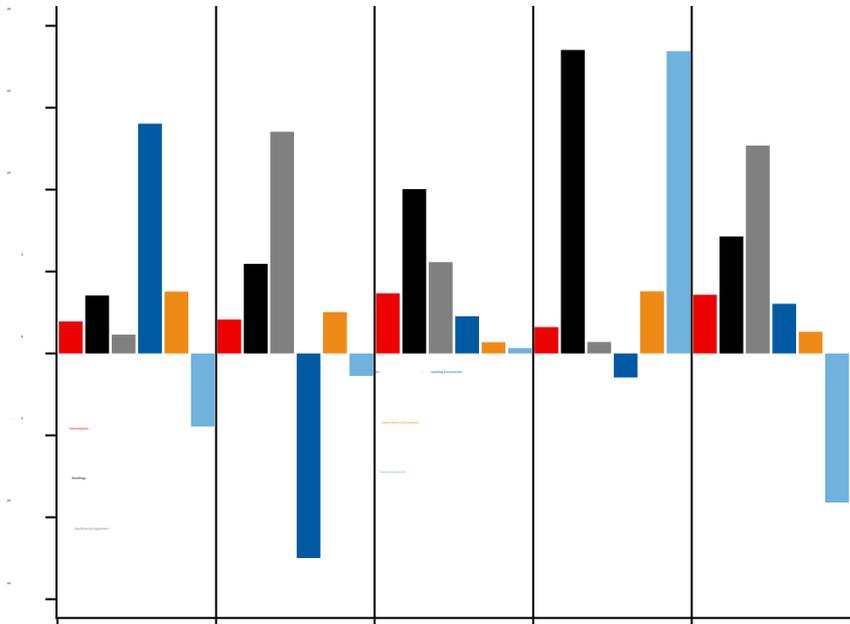
Growth has picked up more strongly than expected

Public sector spending growth has slowed a little

Domestic Final Demand Growth (% , Year-ended)



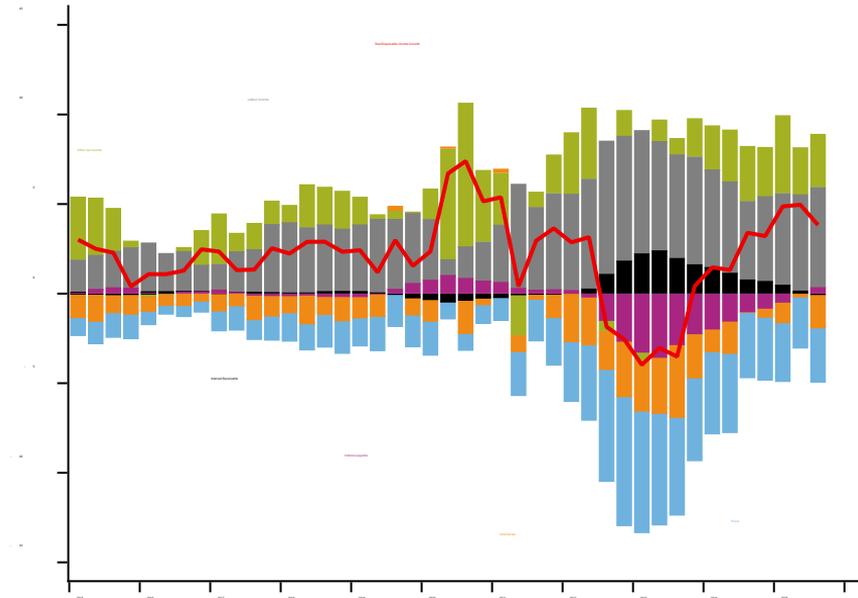
Drivers of growth by state (% , Year-ended)



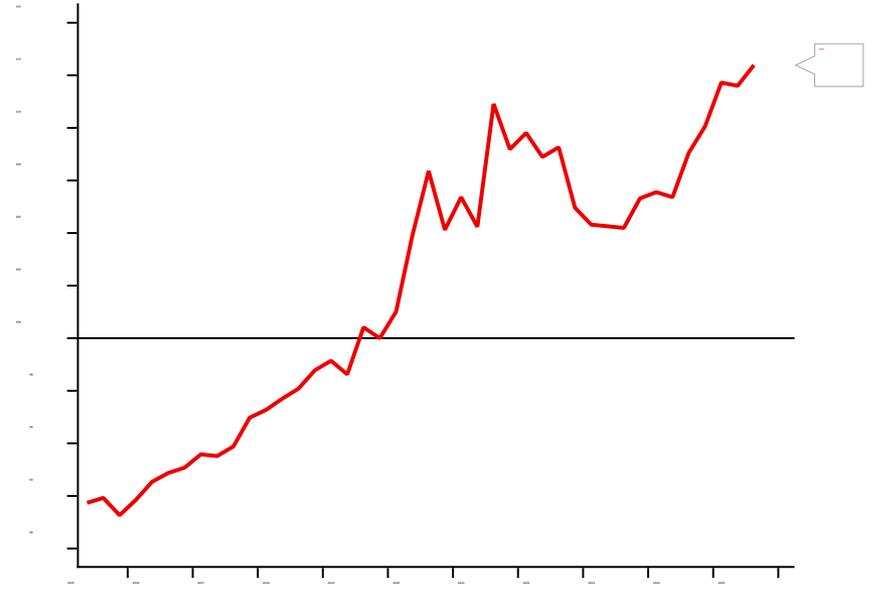
Real incomes are growing again

Are the tailwinds going to fade?

Real Household Disposable Income Growth (Year-ended, %)



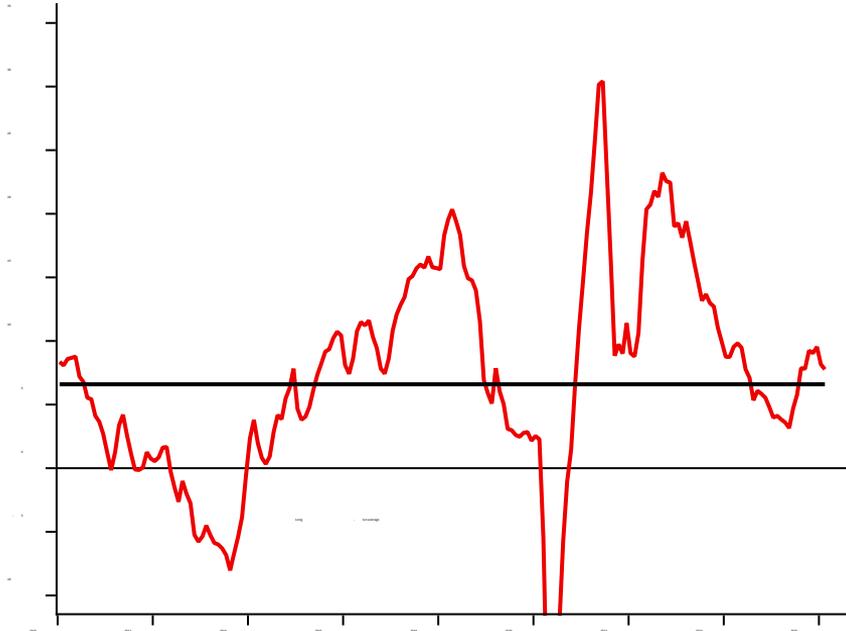
Household Disposable Income (Index Q4 2019 = 100)



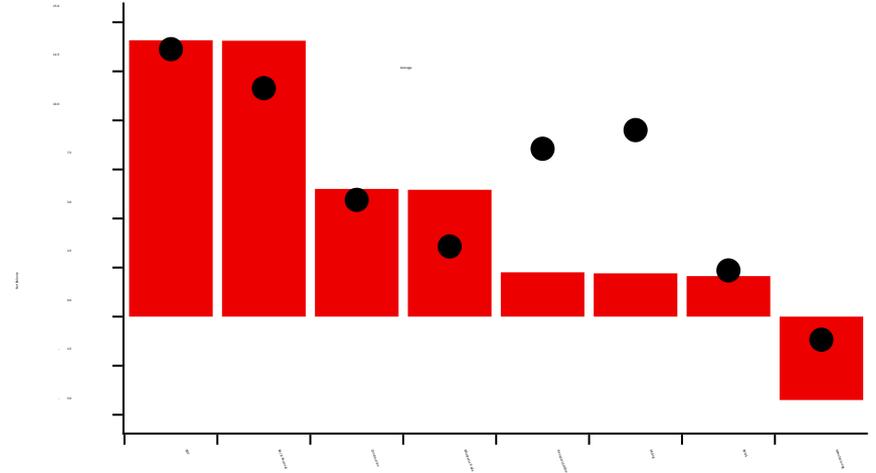
Business conditions have are around average

And have improved across most industries

NAB Survey Business Conditions



Business Conditions by Industry (Trend, Net Bal.)

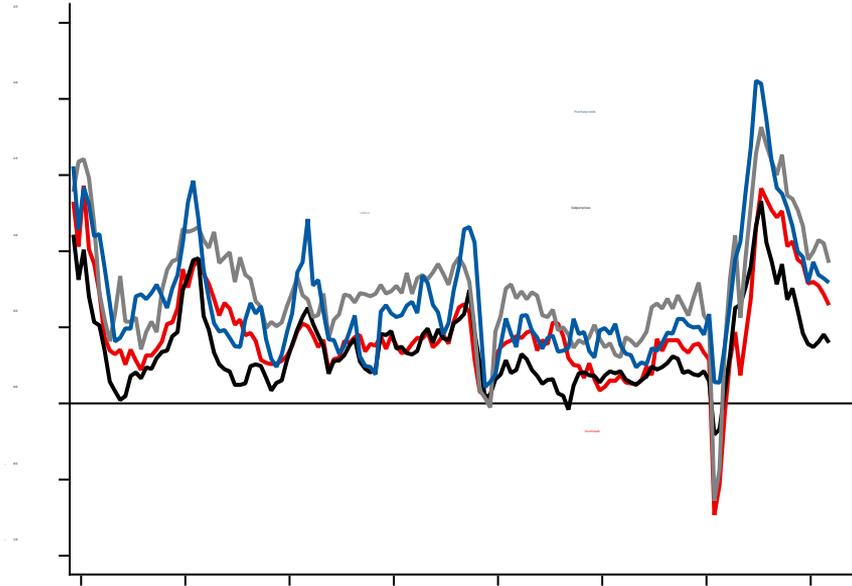


Cost pressures and capacity constraints are evident

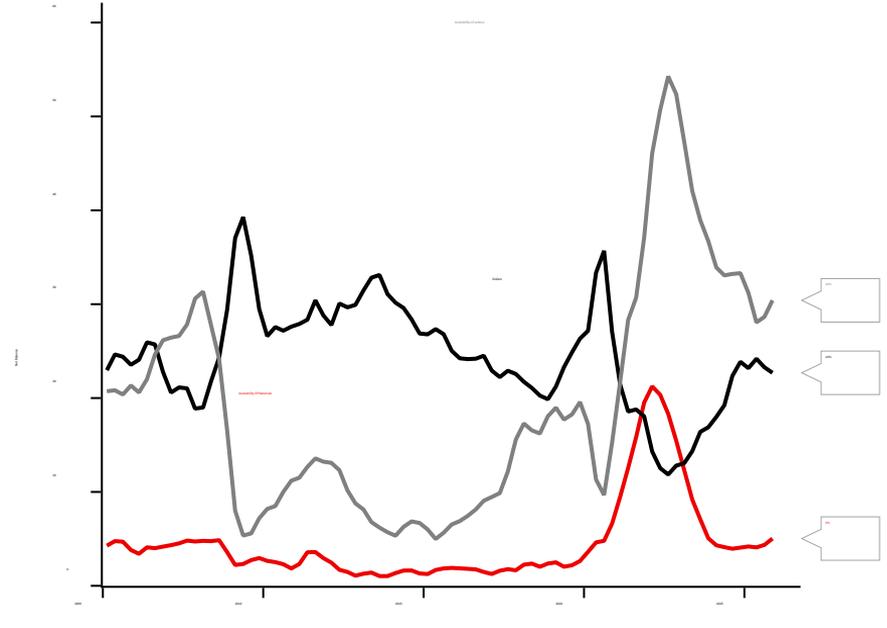
Price and cost growth has eased but remains elevated, labour availability a concern

NAB Quarterly Business Survey - Prices & Costs

Quarterly (%)



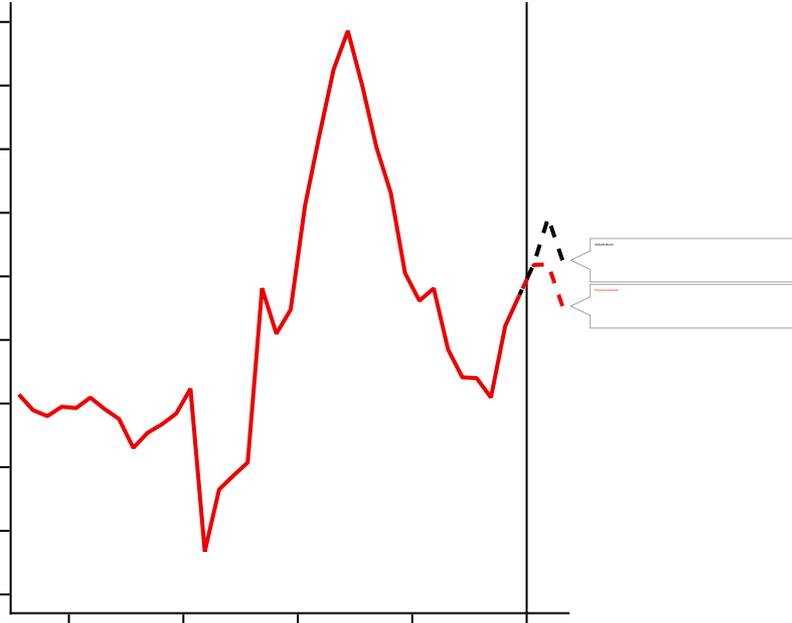
Significant Constraints on Output



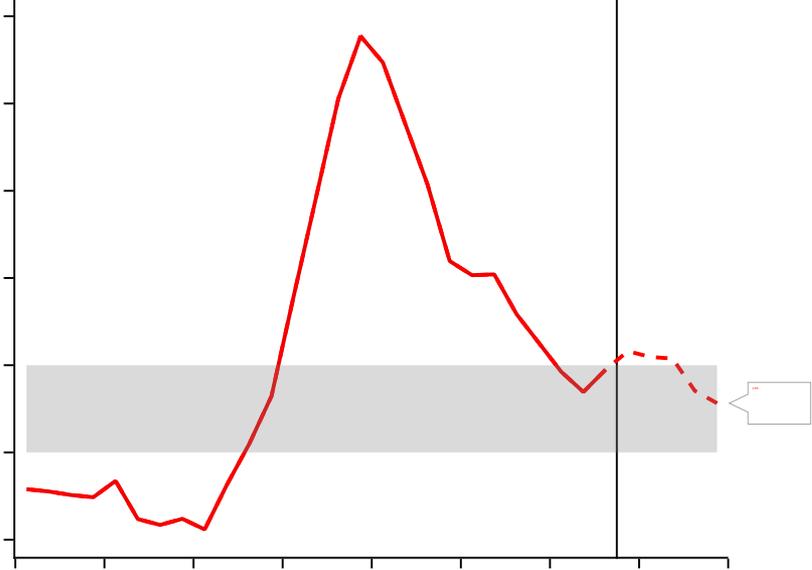
Underlying inflation has reaccelerated

And is expected to be above target to mid 2028

Energy shock and headline inflation

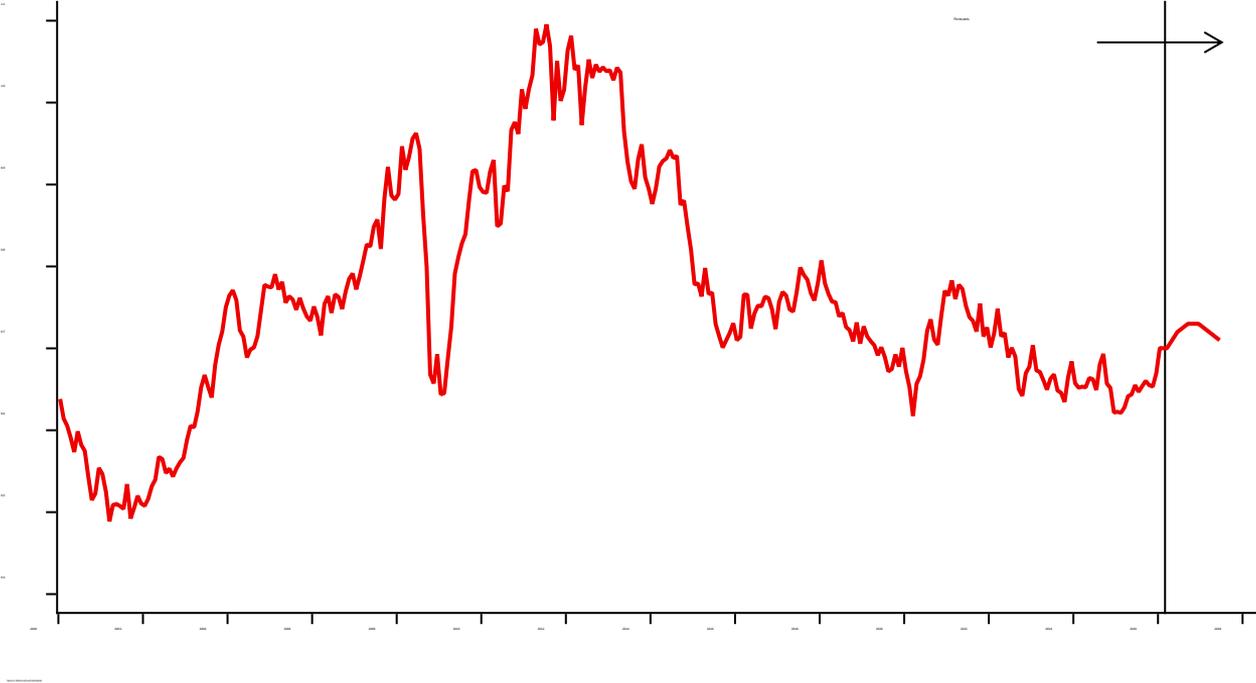


Underlying inflation forecast (% y/y)



The AUD is expected to appreciate a little

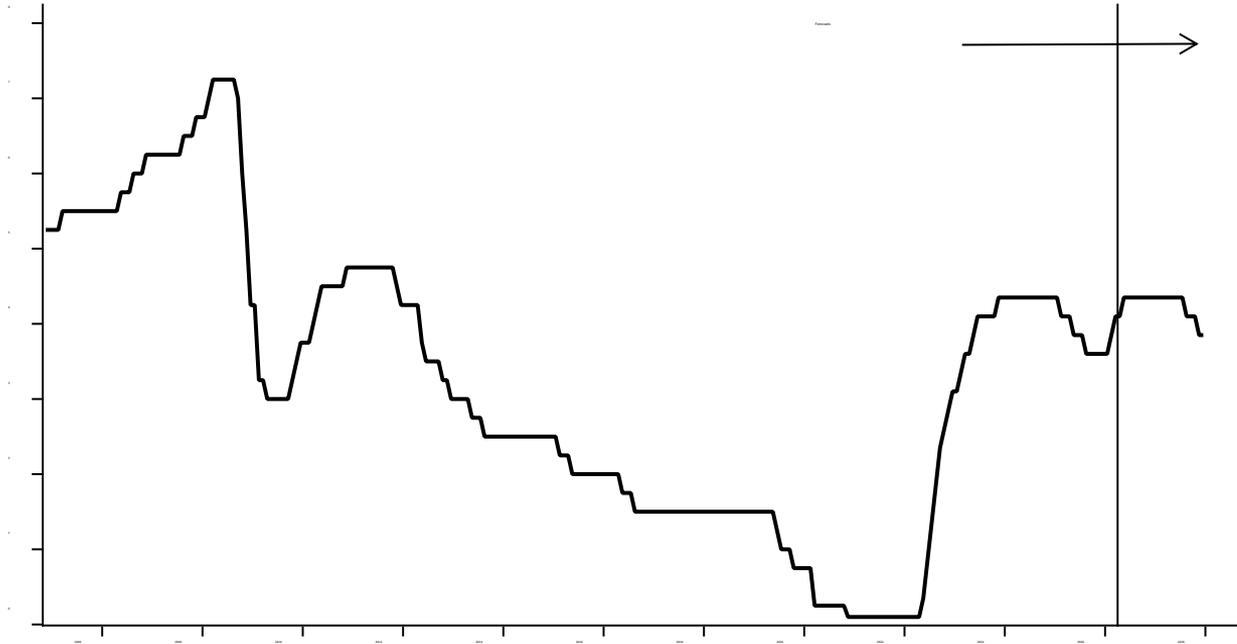
AUD/USD Forecast (USc)



The cash rate is expected to rise to 4.35%

Which is a more restrictive stance.

Cash rate target (%)



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