National Australia Bank

Embargoed until:
11:30am Tuesday 11 March 2014

Global & Australian Forecasts

March 2014

Bad weather hits global activity in early 2014 but underlying growth set to continue with headline global forecasts barely changed. Shift toward greater contribution from advanced economies progressing as expected. Too early to assess impact of the evolving Ukraine situation - but energy and metals sectors exposed. Are Australian green shoots starting to wither? Business conditions retreat (manufacturing) and forward indicators & orders soften. Jobless GDP growth set to continue. Non-mining investment yet to fill the emerging void. Local economy forecasts unchanged. Rate cut still expected in late 2014 as unemployment rises and stays higher for longer.

- The upward trend in the advanced economy business surveys faltered toward the end of 2013 and this has continued into early 2014. Nevertheless, this softer note probably reflects bad weather disrupting supply chains and there is no evidence in either the financial markets or forward looking questions in the business surveys that the predicted gradual upward trend in global growth has been called into question. Advanced economy growth has picked up, largely reflecting trends in industry and other sectors whereas service sector activity in the latter half of 2013 was held back by government shutdowns, fiscal austerity and consumer caution. Emerging economy growth has flat-lined as expected and that looks set to continue.
- GDP growth of 0.8% in Q4 obscured weakness of domestic demand (up 0.1%). Capital expenditure expectations point to a two-year decline of 21% in labour-intensive mining investment by 2014/15 with little offset from other industries. Australian forward indicators largely in retreat as NAB business conditions and orders fell in February, implying GDP growth of 2¾% in Q1. NAB's employment index worsened significantly, house prices took a breather and credit growth remained tepid in January. The labour market adjustment task over the next few years continues to grow as the persistently high AUD and cost structures take further toll on trade-exposed manufacturing. Stronger dwelling approvals, particularly for apartments, should be supportive in the near term, but fiscal restraint will not.
- The case for a rate cut in late 2014 (November) unchanged: while unemployment rate should reach 6½% by the end of 2014, we now expect it to remain elevated into 2015. Our expected track for the AUD is unchanged. Our growth forecasts are unchanged: GDP growth of 2.7% in 2013/14 and 3.0% in 2014/15.

Key global GDP forecasts (calendar years)

Country/region	*IMF weight*	2011	2012	2013	2014	2015
				% change		
United States	*19*	1.8	2.8	**1.9**	**2.6**	**2.9**
Euro-zone	*14*	1.6	-0.6	**-0.2**	**1.2**	**1.4**
Japan	*6*	-0.4	1.4	**1.6**	**1.8**	**1.4**
China	*15*	9.3	7.8	**7.7**	**7.3**	**7.0**
Emerging Asia	*8*	4.2	3.8	**3.8**	**4.1**	**4.4**
Global total	*100*	4.1	3.2	**3.0**	**3.5**	**3.8**
Australia	*2*	2.6	3.6	**2.4**	**2.9**	**2.9**

Key Australian forecasts (fiscal years)

GDP components	12/13	13/14	14/15	Other indicators	12/13	13/14	14/15
		% annual average				*% through-year*	
Private consumption	2.0	**2.7**	**3.4**	Core CPI	2.5	**2.9**	**2.2**
Domestic demand	1.9	**1.4**	**1.0**			*% end of year*	
GDP	2.7	**2.7**	**3.0**	Unemploy. rate	5.7	**6.3**	**6.2**

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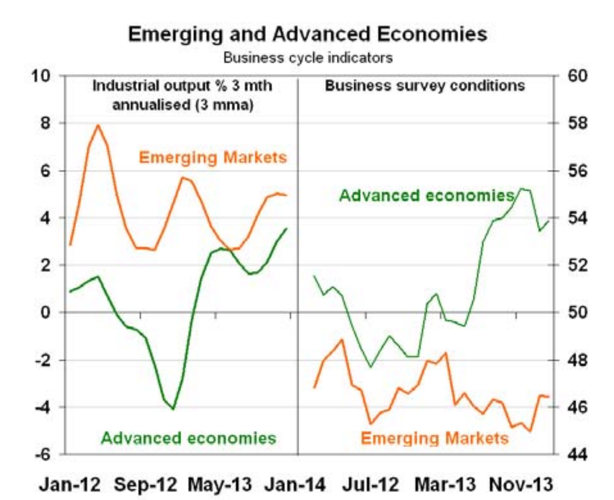
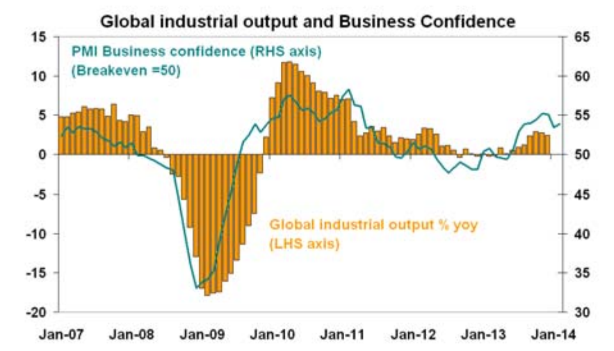
Global outlook

- The early 2014 dip in business survey readings across several big advanced economies shows the impact of bad weather on their economies. Nevertheless, their underlying strength remains and activity growth should get back to its previous trend. Financial markets are not pointing to a sustained slowing in growth and forward looking questions in business surveys show confidence that the upturn remains solid.
- The pace of global growth accelerated steadily through last year from 2½% yoy in March quarter to around 3½% yoy in December. As emerging economy growth stayed around 6% yoy through most of 2013, it was the advanced economies that drove most of the acceleration in global growth.
- We expect growth to continue to pick up in most parts of the world between 2013 and 2014 – with the notable exception of China where a trend slowing appears under way. Australia's trade dependence on China means that the rate of acceleration in growth in its major trading partners falls well short of that recorded in the global economy.
- Our forecast is for global growth to rise from 3% in 2013 to 3½% this year and then to 3¾% in 2015.

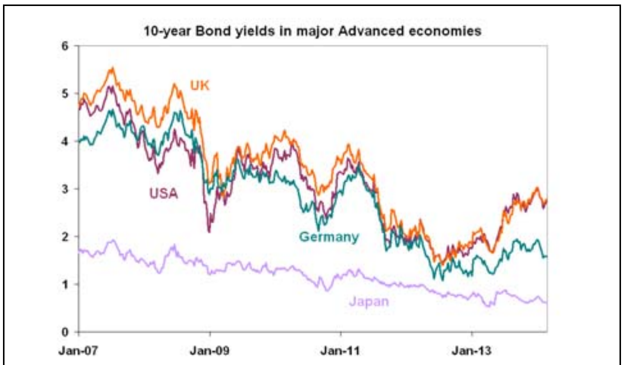


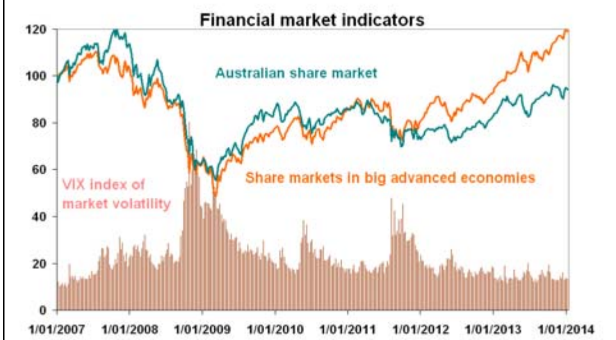


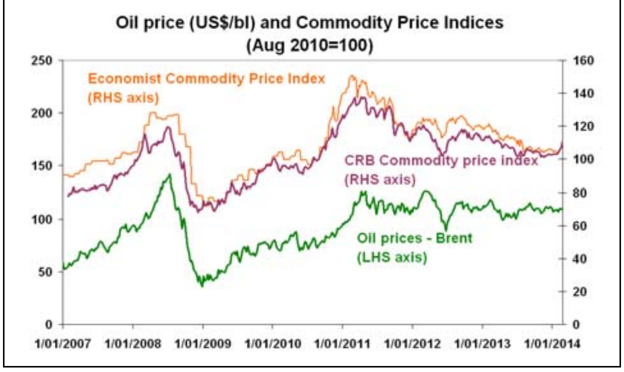
Financial & commodity markets

Interest rates look set to remain very low in the big advanced economies for some time yet. The US Federal Reserve has said that it looks likely to keep interest rates low well past the time when the jobless rate falls below 6½%, provided that inflationary pressures are under control. We expect the Fed to begin lifting its funds rate in the latter half of next year. Ahead of that the Fed should continue to gradually wind back new asset purchases ("tapering") through the rest of 2014.

Other central banks look set to keep their policy rates low as well. The European Central Bank faces inflation running well below its target rate and is keeping its policy rates at or below their current level for "an extended period of time". The Bank of England set a 7% jobless rate as a threshold for considering the evidence on whether it was time to consider increasing its bank rate (and certainly not a trigger for starting to lift its very low policy interest rate). The UK jobless rate fell to 7.2% in late 2013, near the threshold, but the central bank has concluded that there is still scope to keep rates low.



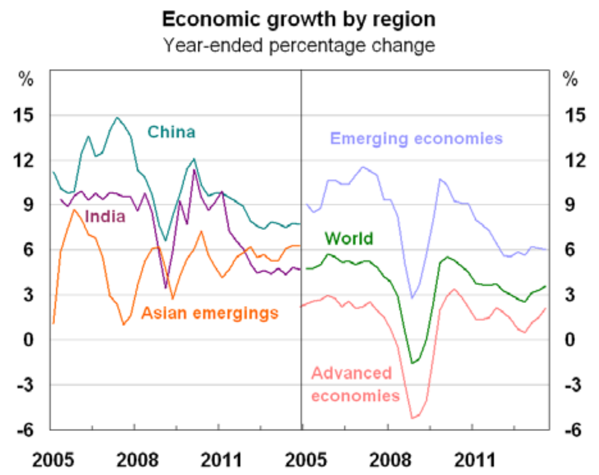


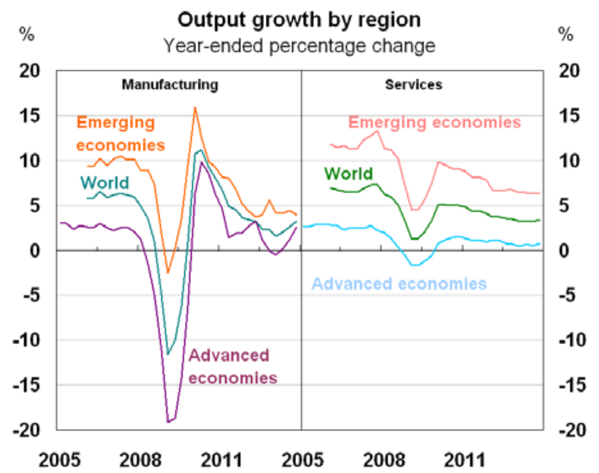


Global trends

The pace of global growth picked up steadily through 2013 – from 2.5% yoy at the start of the year to 3.6% yoy by the December quarter. Recovery in the big advanced economies accounted for this global upturn – their growth rising from only 0.5% yoy in March to just over 2% yoy by December – whereas the big emerging economies grew by around 6% yoy. Growth remained stable in both China and India through 2013 while there was a modest acceleration across Latin America and the emerging economies of East Asia.

The advanced economies have not seen a recovery across all sectors. Industry has shown a clear upturn but the pace of service sector growth remains weak (held down by consumer caution and government cutbacks). The picture in the big emerging economies is quite different as growth in both industry and services has flat-lined in the last couple of years.

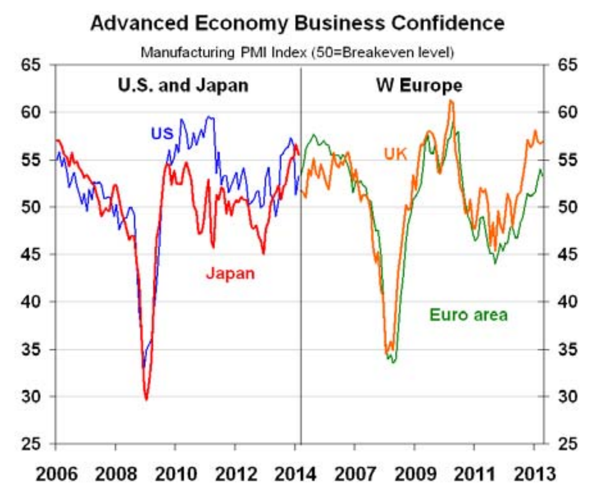


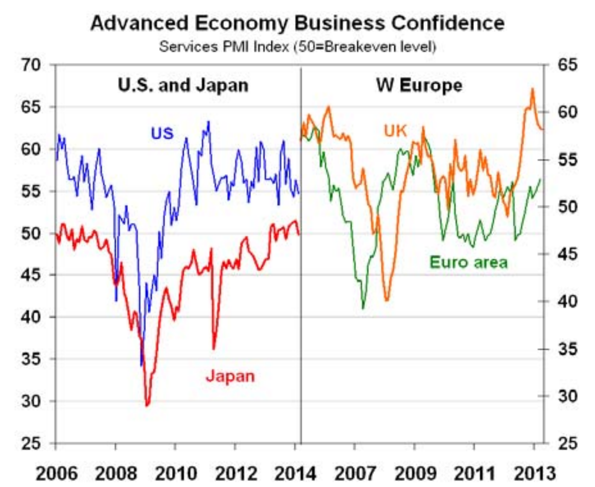


Advanced economies

The upward trend evident in industrial sector business surveys across the big advanced economies petered out at the end of last year with quite large falls in early 2014 in some big economies (notably the US). This softness in the last few months probably largely reflects bad weather, disrupting production schedules, as there are few signs that the underlying level of business confidence or demand have turned down. Forward looking questions that focus on firms' expectations of future trading conditions suggest that the industrial upturn is set to continue.

The average pace of growth in service sector business activity in the big advanced economies dipped very slightly in February, but the results were still consistent with solid growth. Looking at individual economies, February growth in service sector activity slowed noticeably in the US (possibly weather affected) and Japan (unexpected, given the impending lift in indirect taxes – but early readings for March rebounded). The UK service sector was strong and essentially unchanged while the Euro-zone improved.





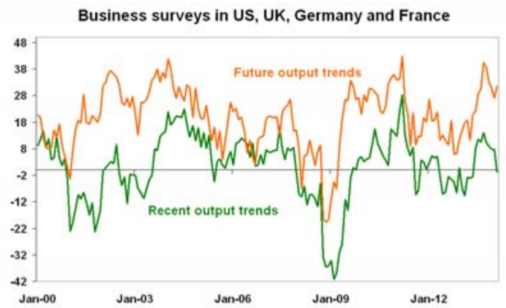
Emerging economies

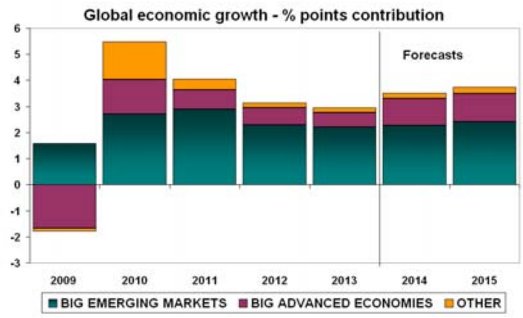
The pace of Indian economic growth in December quarter was 4.7% yoy, below market expectations and slightly slower than recorded in the previous quarter. This outcome lines up with the poor performance shown in late 2013's monthly output and international trade data, where there was no sign of a rebound in activity. Nevertheless, the main business surveys are pointing to an upturn starting in the first half of 2014 and a General Election is likely to be held in April. The official Chinese data is held up by the usual start of the year delay but the monthly industrial business surveys for early 2014 are consistent with trend slowing in manufacturing. Elsewhere in East Asia slow growth continued into early 2014 for exports and industrial output and the December quarter figures for the region showed little momentum toward faster growth in consumer spending or fixed investment.

Forecasts

Global growth is forecast to rise from last year's 3% to 3½% this year and then reach an around trend 3¾% in 2015. Growth in the emerging market economies is expected to barely pick up as the predicted slower growth in China offsets faster expansion elsewhere. China accounts for 15% of global output and its predicted slowing between 2013 and 2015 cuts 0.1 ppt off global growth and 0.2 ppt off emerging economy growth. We will now be reviewing our Chinese forecast in the light of the recently announced 7½% official growth target for 2014.

Although the emerging economies still drive most of the world's increase in output, the contribution of the advanced economies is recovering to more "normal" levels. Big advanced economies contributed only 0.5 ppts of 2013's 3% global growth but this is expected to rise to 1 ppt of the 3½% we forecast for global growth in 2014. The forecast lift in growth across Australia's main export markets is more subdued. This reflects the near 40% and 20% shares of China and Japan respectively in Australian exports, two countries that miss out on much of the predicted acceleration in global growth through 2013-2015.





Australian outlook

Key Points

- Australian Q4 growth of 0.8% was close to trend, but obscured weak domestic demand growth of 0.1% that will not be enough to stop further rises in unemployment (6.0% in January).
- Predicted sharp decline in mining construction confirmed by latest capex survey, and equipment investment particularly weak.
- Latest NAB survey suggests that green shoots of late 2013 may be starting to wither: business conditions gave up half, and the employment index most, of the gains since the federal election. Forward orders also down and our leading indicator pointing to continuing soft domestic demand growth.
- Jobless growth expected to continue through 2014 with unemployment rate still to reach 6½% by end-2014 when a final rate cut predicted (possibly November).
- Our forecasts are unchanged: GDP for 2013/14 2.7% and 3.0% for 2014/15; underlying CPI 2013//14 2.9% (was 2.8%) and 2014/15 2.2% (was 2.1%).

National trends

The Australian economy grew at 0.8% in Q4 despite a decline of 0.4% in hours worked, largely in line with our expectations. This pattern of jobless growth is set to continue as labour-intensive mining construction is replaced by capital-intensive mining production over the next few years. Annual GDP growth of 2.8% is still below the rate needed to prevent rising unemployment. However, given the capital intensity of exports, it is domestic final demand growth that is more relevant to the labour market and, at 1.2%, it remains particularly soft.

Private business investment continues to be the weakest area of domestic demand, declining by 3.4% in underlying terms in Q4. There was a sharp decline in new machinery and equipment investment (-8.2%), which is now 16.6% lower than a year ago. The capex survey points to a 14.6% fall in nominal mining equipment investment in Q4 along with falls in other industries. Import volumes declined in Q4 largely reflecting a fall in capital equipment imports (especially machinery and industrial transport equipment).

The broad-based inflation measures in the national accounts remain moderate: annual chain price index inflation was 2.8% for private consumption and 2.2% for GDP. The terms of trade edged up by 0.6%. Average earnings, on a national accounts basis, grew by 0.9% in Q4 (2.1% through the year). Profits recorded healthy growth (GOS of non-financial corporations grew by 4.9% in Q4).

Forward indicators beyond Q4 signal little likelihood of an improvement in growth. The tentative improvement in NAB business conditions since late 2013 fell away in February driven by poorer conditions in manufacturing and wholesale (a bellwether industry) and forward orders weakened. Labour market indicators are mixed and suggest that an improvement in January may have been unwound in February. On a positive note, business confidence remains better than during much of last year, although it drifted down a little in February.

While equity prices continue to improve, the very rapid rise in house prices appears to be fading. The household saving ratio fell from 10.6% to 9.7% in Q4

Credit growth remains weak, although there has been a strong rise in residential building approvals, indicating significant latent potential for dwelling construction in 2014.

We still expect the next rate cut in the second half of 2014, possibly November, but the precise timing is data dependent: in particular, it requires a further upward drift in unemployment, more stable asset prices and confirmation of subdued inflation. Our central scenario is for the unemployment rate to keep rising, the asset price spurt to run its course and the Q4 inflation outcome to prove something of an outlier. We do not expect a rate hike until late 2015.

Underlying CPI inflation is still expected to be around 2½% through 2014, on the basis of sluggish demand, weak wage growth and the removal of the carbon tax.

We still expect the AUD to drift down to around $US0.84 by the end of 2014 and $US0.80 by the end of 2015.

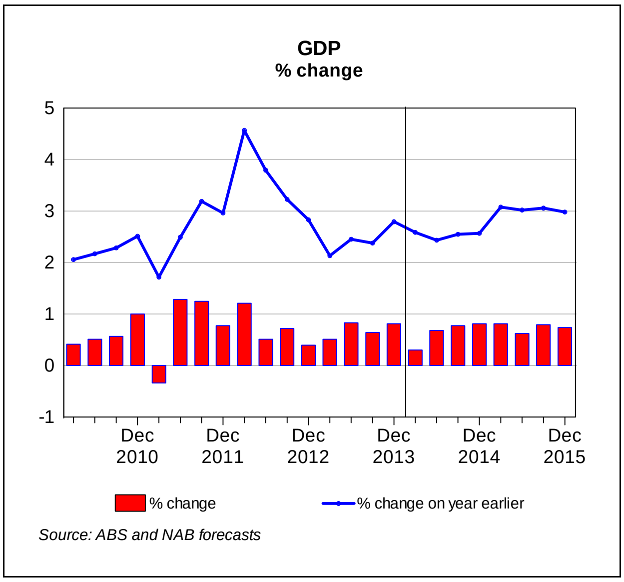
Our GDP forecasts are broadly unchanged: in through-the-year terms, we expect growth to be broadly constant at 2.8% from Q4 to mid-2014 (was 2.6%) and 2.9% to mid-2015. In financial year terms, GDP growth forecasts are unchanged:

- 2.7% in 2013/14, and
- 3.0% in 2014/15.

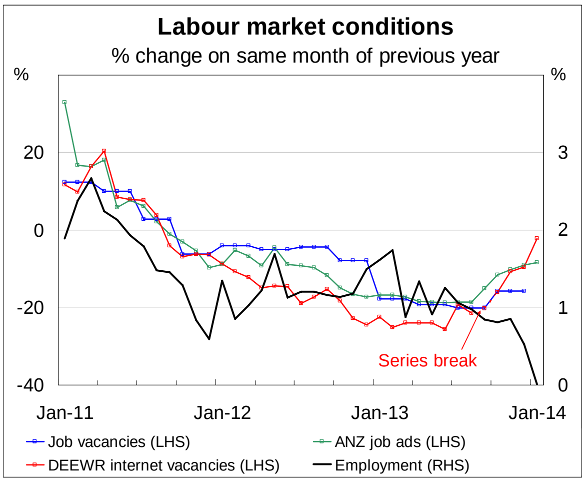
However, with GDP increasingly driven by the capital-intensive minerals energy sector and given the recent softness in the labour market, we see modest employment growth in the near term before it begins to recover:

- 0.3% (was 0.2%) to mid-2014, and

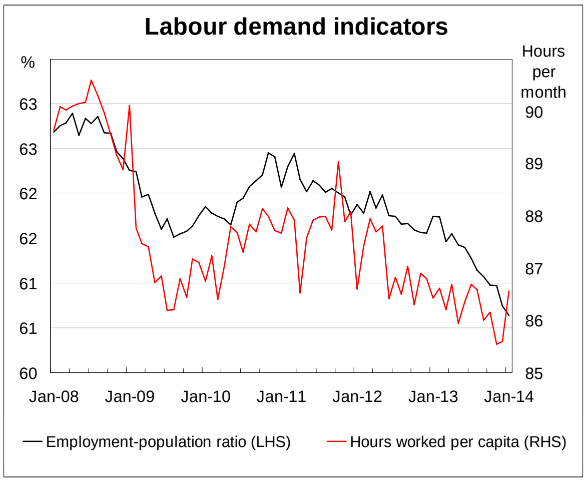
- 2.0% (was 1.5%) to mid-2015.



Labour market

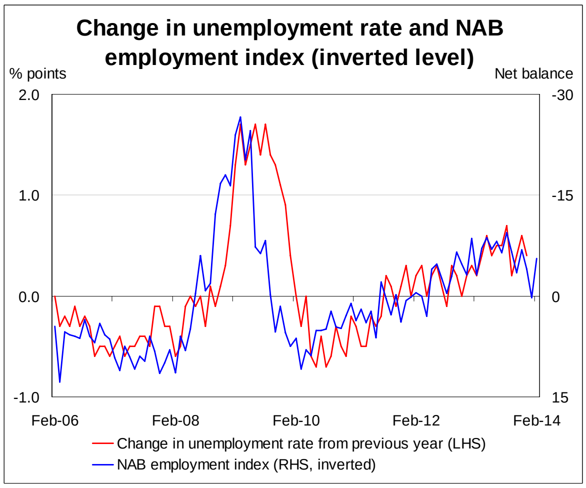


There have been mixed signals for the labour market since late 2013. Several key indicators have pointed to improving conditions, or at least a slowing in the rate of deterioration, including ANZ job ads, DEEWR internet vacancies and aggregate hours worked (up 5.1%, 7.6% and 1.3% respectively in January). However, ABS job vacancies declined 1.7% in Q4 and employment edged down in January, meaning that the employment-population ratio drifted down again.



In February, the NAB employment index gave up a large part of the gains it had accumulated since late 2013, and its latest level implies further increases in the unemployment rate in the months ahead. Employment conditions were particularly weak in wholesale, mining and construction, with the better industries (services) posting barely positive readings.

The unemployment rate rose to 6.0% in January and continues to be suppressed by weakness in the participation rate, currently 64.5%, probably in part reflecting discouraged worker effects. Note that if the participation rate were still at its mid-2013 level of 65%, the unemployment rate would be 6.7%.



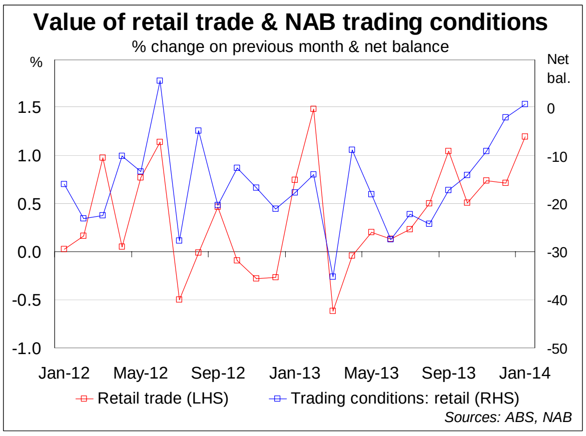
The labour adjustment task from the mining sector appears to have been magnified by recent announcements of the end of automotive manufacturing and several other high-profile operations as well as labour-shedding in aviation over the forecast horizon. Our forecast profile for the unemployment rate is broadly unchanged until 2015, when we have slowed the rate of improvement marginally to be 6.1% by end-2015 (was 5.8%).

Consumer demand & housing market

Private consumer spending grew by 0.8% in Q4 yielding moderate through-the-year growth of 2.6%. Spending volumes have generally grown more strongly on goods than services, other than insurance, with particularly large increases in clothing & footwear, furnishings & household equipment, cigarettes & tobacco and food.

Consistent with the strength of goods retaining, retail trade grew at 1.2% in January, its strongest monthly rate in almost a year. This continues the strengthening trend evident since mid-2013. Growth was particularly strong for department stores, cafes, restaurants & takeaway food and 'other' retailing.

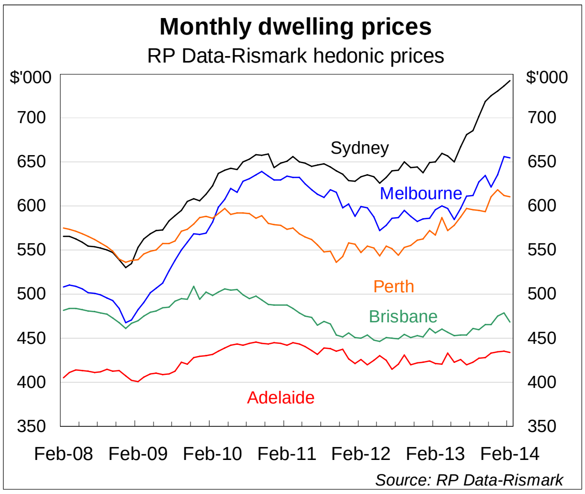
This overall trend is consistent with the improving pattern of retail trading conditions evident in the NAB business survey. Forward orders for retailing fell back in January but remained in positive territory.



In January, the NAB Online Retail Sales Index grew by a reasonably solid 1.3%, a little slower than in recent months. The growth was more rapid for domestic businesses (up 1.6%) than international (up 0.3%), possibly reflecting the weaker AUD. Growth across online retail segments in January was quite varied, from +3.5% for electronic games and toys to -0.9% for media (for more detail see NAB online retail sales).

The total number of passenger and SUV vehicle sales slumped by 3.0% in January to its lowest level in eleven months.

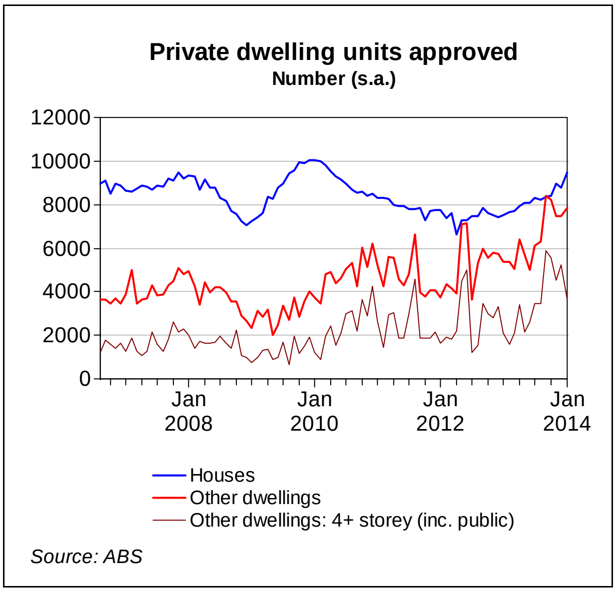
Dwelling prices are showing signs of their inevitable moderation following their rapid run-up during 2013. Prices declined in all major capitals outside Sydney. According to RP Data-Rismark, dwelling prices in Sydney are now 14.1% higher than a year earlier, compared with 9.9% for Melbourne and 7.6% for Perth, with Brisbane and Adelaide much more subdued.



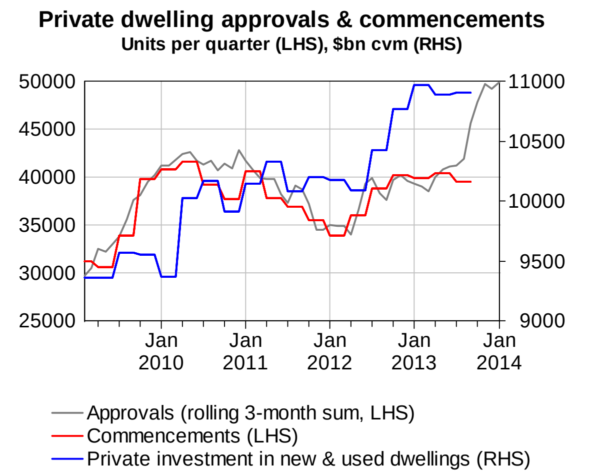
Share prices strengthened, reaching their highest month-end level in four months at the end of February, but from a longer term perspective have been broadly moving sideways for the past five months. At the end of February, the ASX200 was 61.5% above its post-GFC low and 20% below its pre-GFC high.

Investment

HIA new home sales rose 0.5% in January to be 17% higher than a year earlier. The positive outlook for the residential construction sector



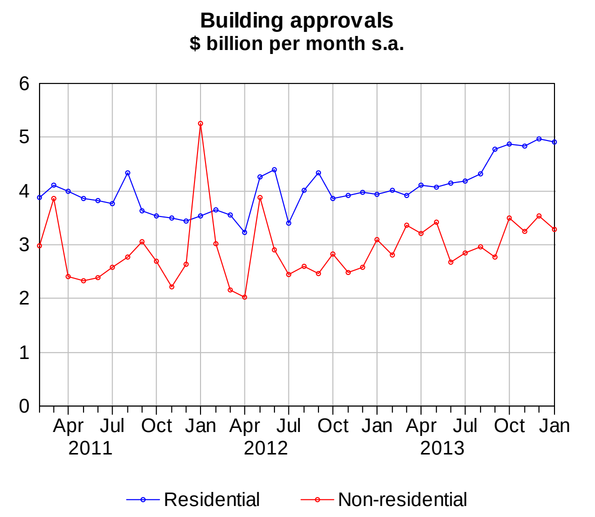
Residential building approvals numbers have risen sharply since early 2013, from around 30,000 units in Q1 to almost 50,000 in the final quarter of 2014 and grew particularly strongly for medium density dwellings. In fact, approval numbers for medium density dwellings exceeded those of houses in September 2013 for the first time in Australian history. The growth in approvals has been concentrated in other dwellings, particularly in larger (i.e. 4 storeys or higher) apartment buildings. Residential approvals increased again in January, although detached houses made the largest gains in the month.



Source: ABS

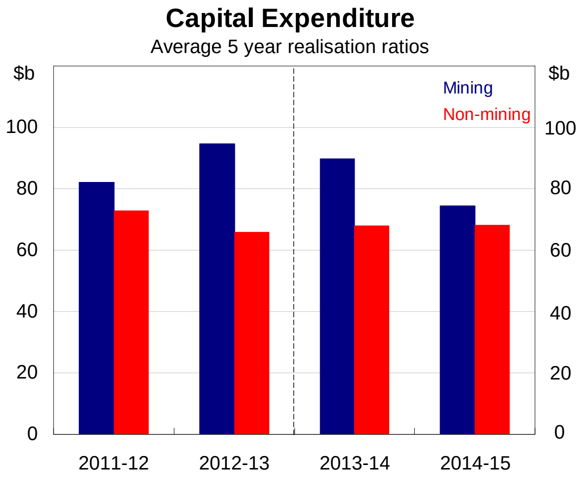
As in the case of household spending more generally, the combination of low interest rates and rising dwelling prices would normally be positive for dwelling investment, but it is probable that job security issues will weigh on activity during 2014. Consequently, we expect dwelling investment (including renovations, which have been quite soft recently) to grow by 11.5% through the course 2014.

Forward indicators for non-residential building remain broadly flat, with approvals moving broadly sideways since October last year.



Source: ABS

The latest capital expenditure survey included expectations data that, at average 5-year realisation ratios, implied a decline of 5% in mining investment in 2013/14 and a further decline of 17% in 2014/15. Non-mining investment is not expected to fill the gap for some time yet.



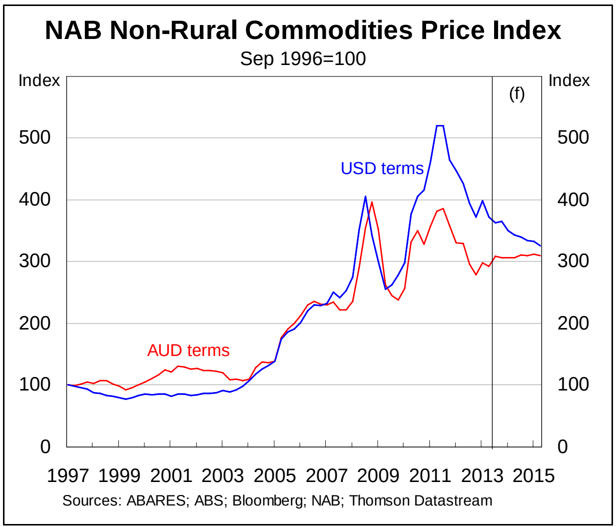
Source: ABS & NAB calculations

Commodity prices and net exports

Global commodities markets were off to a subdued start in the first half of January, as weak crude oil prices raised concerns about wider demand conditions. Since mid-January, US weather and supply factors have lifted WTI oil prices relative to Tapis and Brent, probably temporarily. Bulk commodity and base metals prices have been softer reflecting iron ore and coal supply levels and concerns over metals demand. Gold prices rose in response to signs of a faltering US recovery, concerns about emerging markets and geopolitical risks, especially in the Ukraine. Overall, we expect only a modest recovery in demand over the forecast horizon, but the recovery is expected to be bumpy, ensuring ongoing volatility in hard commodity markets.

December saw domestic livestock prices pick up modestly from a seasonal lift in demand, but they remained weak overall relative to a year ago. Wool prices managed to maintain momentum prior to the three-week Christmas recess in wool auctions and recent January auctions saw prices largely maintaining their ground. Meanwhile, domestic grain markets have defied global price trends to rise notably in December on strong domestic demand, especially in drought-plagued Queensland and NSW. Global dairy prices have been on a relentless demand-induced increase despite strong output levels in New Zealand. Cotton has been faring better on improving global textile demand while sugar lapsed into new lows on the prospect of the largest world's ending stock on record.

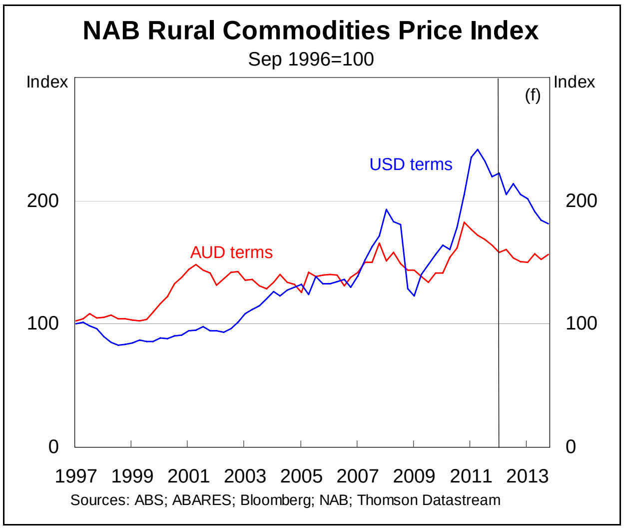
In US dollar terms, the NAB non-rural commodity price index fell by around 1¾% over 2013. We are expecting a larger decline of around 8¾% in 2014, before easing by a further 2¼% over 2015 (see Graph). Given our forecast for the AUD/USD to depreciate further over the remainder of the forecast horizon, AUD prices are expected to rise by ¾% over the year to December 2014, before a larger increase of 2½% over 2015. In aggregating the index, iron ore, thermal coal and metallurgical coal have a combined weight of around 55%.



In January, the NAB Rural Commodity Index in AUD terms fell modestly by 2% despite a 1.3% fall in the AUD. Contributing to the overall lower index in AUD terms had been falls in the prices of beef (-11%), US hard winter wheat (-5%) and sugar (-4.5%). These have more than offset increases in barley (+6.5%), lamb (+6%), cotton (+5%), dairy (+4%) and wool (+1%). The near-term outlook for the index is mixed. Australian protein prices are skewed to the downside from a high slaughter rate before the expected tightening from reduced herd sizes. Global grain prices are likely to be range-bound at low levels as markets have mostly priced in the surge in global production, while demand conditions remain robust. Meanwhile, dairy prices are expected to stay elevated until the northern hemisphere spring flush starts kicking in around May, whereas sugar and cotton prices are expected to moderate from their current levels from oversupply.

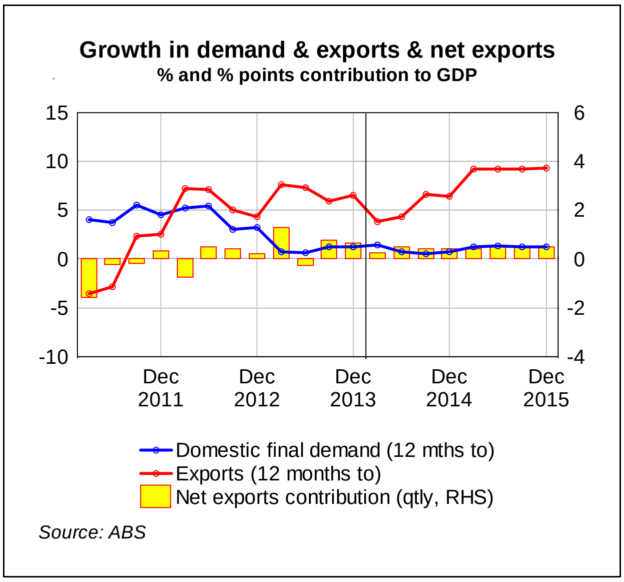
The NAB rural commodity price index fell by around 11½% over 2013 in US dollar terms, but we expect it to be broadly unchanged over 2014 before declining by 3% over 2015. In AUD terms, the index is expected to rise by 10½% over 2014 and then to edge up by 1¾% over 2015.

For more detail, see our Minerals & Energy Commodities Research and Rural Commodities Wrap.



The terms of trade fell by 1.2% over the year to Q4 2013. Based on our outlook for commodity prices, we see the terms of trade continuing to edge down, losing 4% through the course of 2014 and another 4% through 2015.

Our AUD forecast profile is unchanged, despite the geopolitical uncertainty associated with events in the Ukraine. Declining commodity prices, the prospect of another cash rate cut and the appreciation of the USD associated with tapering are all likely help bring the AUD down to $US0.84 by the end of 2014.



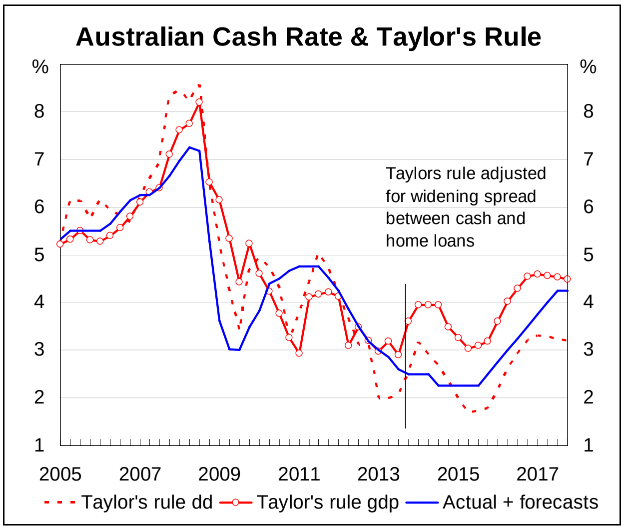
Australia's trade balance moved into surplus in Q4 for the first time since the end of 2011, aided by growth in export volumes and a small improvement in the terms of trade. We expect the surplus to grow as major minerals and energy projects continue to be commissioned while import volumes should be restrained by a declining AUD and softer capital goods imports associated with mining.

Interest rates

The RBA continues to maintain a watching brief on the flow of economic data, having left the cash rate unchanged at 2.5% since July 2013. In our view, there are three conditions that all need to be satisfied before another rate cut becomes likely: rising unemployment, stabilisation of asset prices and low inflation (well into the bottom half of the target range). The first of these is in place, there are increasing signs that the second is occurring and we expect that weak cost growth should bring about the third by the end of the year.

The unemployment rate has now reached 6.0% and labour market forward indicators are at best mixed. The surge in dwelling prices may have begun to lose steam, particularly outside Sydney and equity prices have been moving broadly horizontally for four months or so. Equity prices have been moving broadly sideways for the past four or five months. However, the spike in underlying inflation in Q4 (0.9%, or 2.6% through the year) has removed the prospect of a cash rate cut in the near term.

We have maintained our view that the next movement in rates will be a cut of 25 basis points in late (November) 2014. By this time, the RBA will have two more inflation readings and we expect these to be relatively benign. More importantly, the unemployment rate is likely to be well above 6% and steadily deteriorating and we now expect the unemployment rate to remain high further into 2015 than previously. That also argues for a long period of flat rates thereafter.



Global growth forecasts % change year on year

	2011	2012	2013	2014 (NAB Forecasts)	2015 (NAB Forecasts)
US	1.8	2.8	1.9	2.6	2.9
Euro-zone	1.6	-0.6	-0.2	1.2	1.4
Japan	-0.4	1.4	1.6	1.8	1.4
UK	1.1	0.3	1.9	2.5	2.5
Canada	2.5	1.7	1.7	2.1	2.6
China	9.3	7.8	7.7	7.3	7.0
India	7.5	5.1	4.7	5.2	5.6
Latin America	4.8	2.4	2.8	3.0	3.5
Emerging Asia	4.2	3.8	3.8	4.1	4.4
New Zealand	1.9	2.6	2.7	3.9	2.3
World	*4.1*	*3.2*	*3.0*	*3.5*	*3.8*
memo					
Advanced Economies	1.7	1.4	1.3	2.2	2.3
Emerging Economies	6.9	5.3	5.3	5.4	5.5
Major trading partners	4.6	4.2	4.5	4.7	4.6

Australian Economic and Financial Forecasts (a)

	Fiscal Year			Calendar Year		
	2012-13 F	**2013-14 F**	**2014-15 F**	**2013-F**	**2014-F**	**2015-F**
Private Consumption	2.0	2.7	3.4	2.0	3.2	3.3
Dwelling Investment	-0.1	4.2	9.2	2.0	8.9	5.1
Underlying Business Fixed Investment	6.2	-6.5	-10.4	-3.5	-8.9	-10.5
Underlying Public Final Demand	-1.4	2.2	0.1	0.2	1.2	-0.3
Domestic Demand	**1.9**	**1.4**	**1.0**	**0.9**	**1.3**	**0.7**
Stocks (b)	-0.3	-0.3	0.2	-0.6	0.1	0.1
GNE	**1.6**	**1.1**	**1.2**	**0.4**	**1.4**	**0.8**
Exports	6.0	6.2	9.1	6.8	7.5	9.4
Imports	0.5	-2.9	1.1	-2.8	-0.4	0.7
GDP	**2.6**	**2.7**	**3.0**	**2.4**	**2.9**	**2.9**
– Non-Farm GDP	2.8	2.6	3.0	2.4	2.9	2.9
– Farm GDP	-3.6	6.5	2.1	4.9	2.6	2.0
Nominal GDP	2.5	4.4	4.4	3.5	4.6	4.1
Federal Budget Deficit: ($b)	21	40	30	NA	NA	NA
Current Account Deficit ($b)	56	40	25	46	32	16
(-%) of GDP	3.7	2.5	1.5	2.9	2.0	0.9
Employment	1.3	0.6	1.4	1.1	0.7	1.9
Terms of Trade	-9.8	-3.2	-3.4	-4.2	-3.5	-3.9
Average Earnings (Nat. Accts. basis)	1.7	2.5	3.1	1.4	3.1	3.0
End of Period						
Total CPI	2.5	3.5	2.3	2.8	2.7	2.7
Core CPI	2.5	2.9	2.2	2.6	2.5	2.4
Unemployment Rate	5.7	6.3	6.2	5.7	6.5	6.1
RBA Cash Rate	2.75	2.50	2.25	2.50	2.25	2.50
10 Year Govt. Bonds	3.76	4.15	4.70	4.24	4.20	5.10
$A/US cents :	0.93	0.87	0.82	0.89	0.84	0.80
$A - Trade Weighted Index	71.4	70.0	68.2	68.9	68.7	67.0

(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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