



Australian Markets Weekly

A weekly outlook for Australia, key global economies and markets

30 November 2015

Divergences Galore

A huge week for data and events, with the RBA and Q3 GDP the Australian highlights, and the Chinese PMI on Tuesday, the ECB meeting on Thursday and non-farm payrolls on Friday the pick of the international events. Each of these events is likely to highlight important cyclical divergences between major economic blocs and monetary policies and the continuation of major sectoral divergences within Australia. These divergences are producing differing implications for policy, exchange rates and relative interest rate cycles. We also preview Australia Q3 GDP in our special focus for the week.

This Week

There is a huge schedule of Australian and international events in the week. Highlights in Australia are the RBA's final board meeting of the year tomorrow, where no move in rates is expected. Markets will be looking for any new information on the Bank's view on the diverging trends for both employment (stronger) and investment (weak). The RBA Governor is also speaking on the economy on Wednesday morning just ahead of the release of Q3 GDP (see preview below).

Other Australian events include the final GDP partials on Monday and Tuesday, along with regular monthly releases: Credit, Monday; Building Approvals, Tuesday; Trade Balance, Thursday and Retail Sales, Friday. These will be scrutinised to assess the relative strengths of the pick-up in business lending – which is important for the non-mining investment outlook, the strengthening in exports – the counterpart to the prior strength in mining investment, how long residential investment will continue to buoy activity and employment and finally whether the consumer continues to spend a little more strongly, though we look for a bit of a pullback this month after a number of stronger outcomes. These broad themes are likely to be in play in Q3 GDP.

The overseas events are likely to be even more significant medium term for markets. Chinese PMI data on Tuesday will provide the latest update on the extent of China's industrial slowdown (Japanese industrial production on Monday may give some additional clues), before the ECB meeting on Thursday evening Australian time. This is expected to reveal

further easing by the ECB (though this is now widely expected), in spite of indications of better European economic performance, which has been behind the weaker EUR in recent weeks. And while we get important updates on the US manufacturing and non-manufacturing PMIs (and partials on US employment trends), along with a speech from Fed President Yellen and the latest Beige book, the key US event of the week is Friday's November non-farm payrolls, which is expected to cement the case for the first US rate rise in mid-December (something now also widely discounted). We will be closely watching the trend for temporary help services, usually a reliable lead of payrolls trends, which strengthened relatively sharply in October. If this were repeated in November, it would suggest the risk of stronger payrolls outcomes in the months ahead, which might pressure expectations of a slow climb-out after lift-off by the Fed, to borrow an aviation analogy.

Market Developments and Key Views

As our table shows, markets were very quiet over the past week, with approximately no change being the modal and median outcomes for key Australian financials. Even equities and bond yields were relatively unchanged, compared to moves of recent weeks, though iron ore prices again fell modestly and are now below GFC lows.

The most noteworthy Australian development over the past week was the continuing relative softness in non-mining investment expectations, coupled with sharp weakness in mining investment as major projects complete. This quarter, non-mining capex was also sharply weaker than expected in the other selected industries component, with the ABS advising that some of this weakness reflected weakness in engineering capex (related to mining, but classified as engineering), with weakness in capex by smaller construction firms also a story in the quarter. Expectations data suggest there should be some bounce back in the latter component next quarter – as does the general strength in building approvals, though there is also the possibility that the slowdown in mining capex is releasing second hand equipment into the market.

Importantly, neither of these trends (weaker mining investment or the slow pick up in non-mining investment) are particularly able to be solved with interest rates, as neither effectively reflects interest rates being too high.

Our key views remain that the RBA has finished cutting interest rates for this cycle and that broadly, term yields will drift slowly higher as the Federal Reserve begins tightening and the US economy continues to recover. Views about the RBA cutting interest rates further are likely to continue to be pressured by data continuing the strengthening in the non-mining economy. The \$A is still expected to trade into the high 60s next year as the US\$ strengthens, however, there is the risk the \$A might strengthen a little further first (and the US\$ weaken) as markets continue to hold very long US\$ positions.

Key markets over the past week					
	Last	% chg week		Last	bp / % chg week
AUD	0.7192	0.0	RBA cash	2.00	0
AUD/CNY	4.60	0.1	3y sw ap	2.21	-3
AUD/JPY	88.3	0.0	ASX 200	5,203	-1.0
AUD/EUR	0.679	0.4	Iron ore	44.5	-0.9
AUD/NZD	1.101	-0.2	WTI oil	41.7	0.0

Source: Bloomberg

Q3 GDP Preview

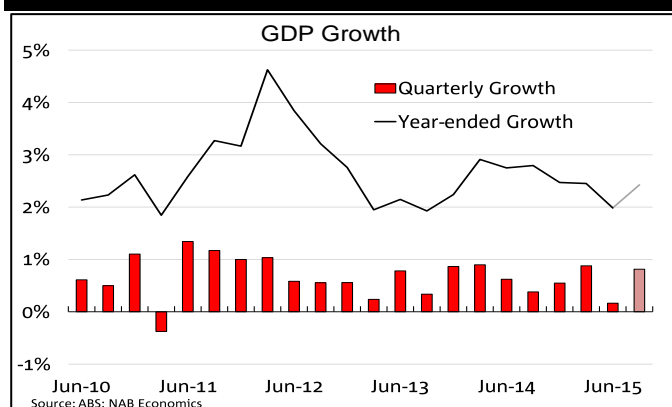
Much of the focus this week will inevitably be on Australia's Q3 GDP outcome, with the market's current pick being for a 0.7% q/q outcome after last quarter's soft 0.2% q/q result. NAB's preliminary forecast is for a slightly stronger 0.8% q/q result (2.4% y/y). We and the market will finalise our forecast over the next two days as we get the final partial information.

That said, we are not expecting the national accounts to change the broad Australian economic story very much – the national accounts rarely should change your view on the Australian economy, given their delayed release and the availability of many other partial indicators.

We expect to see the following key themes and trends in the GDP data:

- A very large contribution to growth from net exports, reflecting stronger export volumes and weaker import volumes. The former reflects stronger volumes due to new mines and LNG projects and the return to more normal seasonal conditions after the previous quarter's interruptions, while the latter is in part due to the substantial wind-back in mining investment, of which a considerable proportion is imported;
- Significantly weaker capex investment (mainly in mining/engineering), due to much weaker mining investment as revealed in construction work done and the capex data. These data (and Australian GDP data) are likely to remain quite volatile in the period ahead, due to the inherent volatility in the mining investment wind-back;
- Stronger residential construction, reflecting both a bounce-back from an inexplicably small negative outcome last quarter and the strong pipeline of ongoing apartment construction in the eastern states;
- Moderately stronger consumption growth; and
- Generally subdued public spending (though it does appear that some state and many local governments are boosting spending).

Chart 1: GDP growth to accelerate in Q3



These trends have been in play for some time and are expected to remain so for some quarters ahead. Importantly, the RBA has now begun to talk about the end of the drag from mining on the economy, recently nominating 2015-16 as the peak period of weakness (we are of course now very close to being half way through this financial year) and also noting that the wind-back would likely be complete by the end of 2017.

Table 1: Q3 GDP forecasts

Australian National Accounts (a)				
	Q/Q		Y/Y	Contribution to Q/Q
	Jun-15	Sep-15	Sep-15	Sep-15
Household Consumption	0.5	0.7	2.7	0.3
Dwelling Investment	-1.1	1.0	9.7	0.3
Underlying Business Investment	-0.3	-7.1	-12.6	-0.9
Machinery & equipment	-0.7	-8.2	-10.4	-0.4
Non-dwelling construction	-0.1	-6.4	-13.9	-0.5
New building	0.9	-1.9	3.1	-0.1
New engineering	-0.8	-9.2	-22.6	-0.4
Underlying Public Final Demand	5.0	-2.0	4.1	-0.1
Domestic Final Demand	0.8	-0.6	1.1	-0.6
Stocks (a)	-0.2	0.1	0.0	0.0
GNE	0.6	-0.5	0.7	n.a.
Net exports (a)	-0.6	1.3	1.6	1.3
Exports	-3.3	4.6	6.3	1.0
Imports	-0.7	-1.8	-1.2	0.4
GDP	0.2	0.8	2.4	n.a.

(a) Contribution to GDP growth

At the same time, it's worth noting that despite this wind-back of mining investment and the still slow pick-up in non-mining investment, the indications from the labour market remain more positive – and in keeping with the more positive signal coming from the NAB Business Survey. These more positive indications are not economy-wide (WA, parts of Queensland and other regions where mining is an important part of the economy) remain weak. However, the data suggest the non-mining economy is doing better, NSW, Victoria and Tasmania in particular are strengthening, while Queensland seems to be improving overall, in spite of the drag from mining in that state. Non-mining is much larger than mining, and with NSW, Victoria and Queensland all improving, the likelihood is that the national data will continue to improve, even if WA and mining continue to drag, given their relative sizes.

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Calendar of Economic Releases

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEDT
Monday, 30 November 2015								
NZ	Building Permits MoM	Oct				-5.7	21.45	8.45
AU	TD Securities Inflation MoM	Nov				0	23.30	10.30
JN	Industrial Production MoM	Oct P		1.8		1.1	23.50	10.50
JN	Retail Sales MoM	Oct		0.3		0.7	23.50	10.50
AU	HIA New Home Sales MoM	Oct				-1.8	0.00	11.00
NZ	ANZ Activity Outlook	Nov				23.7	0.00	11.00
NZ	ANZ Business Confidence	Nov				10.5	0.00	11.00
UK	GfK Consumer Confidence	Nov				1	0.50	11.50
AU	Company Operating Profit QoQ	3Q	1.2	1		-1.9	0.30	11.30
AU	Inventories SA QoQ	3Q	0	0		0	0.30	11.30
AU	Private Sector Credit MoM	Oct	0.6	0.6		0.8	0.30	11.30
AU	Private Sector Credit YoY	Oct	6.5	6.6		6.7	0.30	11.30
JN	BoJ's Kuroda speaks in Nagoya							
UK	Mortgage Approvals	Oct		69.9		68.9	9.30	20.30
GE	CPI YoY	Nov P		0.4		0.3	13.00	0.00
GE	CPI EU Harmonized YoY	Nov P		0.3		0.2	13.00	0.00
CA	Current Account Balance	3Q		-15.15		-17.4	13.30	0.30
US	Chicago Purchasing Manager	Nov		54		56.2	14.45	1.45
US	Pending Home Sales MoM	Oct		1		-2.3	15.00	2.00
US	Dallas Fed Manf. Activity	Nov		-10		-12.7	15.30	2.30
Tuesday, 1 December 2015								
NZ	Terms of Trade Index QoQ	3Q	-2.3	-2.6		1.3	21.45	8.45
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Nov-29				114.5	22.30	9.30
AU	AIG Perf of Mfg Index	Nov				50.2	22.30	9.30
AU	CoreLogic RP Data House Px MoM	Nov				0.9	23.00	10.00
NZ	QV House Prices YoY	Nov				14	23.00	10.00
AU	Net Exports Contribution to GDP	3Q	1.3	1.2		-0.6	0.30	11.30
AU	BoP Current Account Balance	3Q		-17		-19	0.30	11.30
AU	Building Approvals MoM	Oct	0.0	-2.5		2.2	0.30	11.30
AU	Building Approvals YoY	Oct	8.3	5.7		21.4	0.30	11.30
CH	Manufacturing PMI	Nov		49.9		49.8	1.00	12.00
CH	Non-manufacturing PMI	Nov				53.1	1.00	12.00
JN	Nikkei Japan PMI Mfg	Nov F				52.8	1.35	12.35
CH	Caixin China PMI Mfg	Nov		48.3		48.3	1.45	12.45
CH	Caixin China PMI Composite	Nov				49.9	1.45	12.45
CH	Caixin China PMI Services	Nov				52	1.45	12.45
AU	RBA Cash Rate Target	Dec-01	2	2		2	3.30	14.30
JN	Vehicle Sales YoY	Nov				0.2	5.00	16.00
GE	Unemployment Change (000's)	Nov		-5		-5	8.55	19.55
GE	Markit/BME Germany Manufacturing PMI	Nov F		52.6		52.6	8.55	19.55
EC	Markit Eurozone Manufacturing PMI	Nov F		52.8		52.8	9.00	20.00
UK	Markit UK PMI Manufacturing SA	Nov		53.6		55.5	9.30	20.30
UK	Bank of England Publishes Financial Stability Report & Press Conference by BoE's Carney							
EC	Unemployment Rate	Oct		10.8		10.8	10.00	21.00
CA	GDP MoM / YoY	Sep				0.1%/0.9%	13.30	0.30
US	Markit US Manufacturing PMI	Nov F		52.6		52.6	14.45	1.45
US	Construction Spending MoM	Oct		0.6		0.60%	15.00	2.00
US	ISM Manufacturing	Nov		50.5		50.1	15.00	2.00
US	Fed's Evans speaks on the Economy and Policy						17.45	4.45
US	Fed's Brainard speaks on Lower Neutral Rates in Stanford						1.00	12.00
Wednesday, 2 December 2015								
NZ	Dairy Auction - small increase expected based on Friday's whole-milk futures							Early
NZ	ANZ Commodity Price	Nov	-5.0			6.90%	0.00	11.00
AU	RBA Governor Speaks on "Economic Conditions and Prospects"						0.12	11.12
AU	GDP SA QoQ	3Q	0.8	0.7		0.20%	0.30	11.30
JN	BoJ's Iwata speaks in Okayama						1.30	12.30
UK	Markit/CIPS UK Construction PMI	Nov		58.5		58.8	9.30	20.30
EC	PPI YoY	Oct		-3.2		-3.10%	10.00	21.00
EC	CPI Estimate YoY	Nov		0.2			10.00	21.00
EC	CPI Core YoY	Nov A		1.1		1.10%	10.00	21.00
US	MBA Mortgage Applications	Nov-27					12.00	23.00
US	Fed's Lockhart speaks on the US Economy							
US	ADP Employment Change	Nov		190		182k	13.15	0.15
US	Nonfarm Productivity	3Q F		2.2		1.60%	13.30	0.30
US	Unit Labor Costs	3Q F		1		1.40%	13.30	0.30
CA	Bank of Canada Rate Decision	Dec-02		0.5		0.50%	15.00	2.00
US	Fed's Yellen Speaks to the Economic Club of Washington						16.00	3.00
US	U.S. Federal Reserve Releases Beige Book						19.00	6.00
US	Fed's Williams speaks on Economic Outlook						20.40	7.40
Thursday, 3 December 2015								
NZ	Value of All Buildings SA QoQ	3Q	1.0	1.8		1.6%	21.45	8.45
AU	AIG Perf of Services Index	Nov				48.9	22.30	9.30
AU	Trade Balance	Oct	-2400	-2600		-2317m	0.30	11.30
JN	Nikkei Japan PMI Services	Nov				52.2	1.35	12.35
JN	BoJ's Kiuchi speaks in Tokyo						6.30	17.30
GE	Markit Germany Services PMI	Nov F		55.6			8.55	19.55
EC	Markit Eurozone Services PMI	Nov F		54.6			9.00	20.00
UK	Official Reserves Changes	Nov				\$16m	9.30	20.30
UK	Markit/CIPS UK Services PMI	Nov		55		54.9	9.30	20.30
EC	Retail Sales MoM / YoY	Oct				-0.1%/2.9%	10.00	21.00
EC	ECB Main Refinancing Rate	Dec-03		0.05			12.45	23.45
EC	ECB Deposit Facility Rate	Dec-03		-0.3		-0.20%	12.45	23.45
US	Initial Jobless Claims	Nov-28		270			13.30	0.30
US	Markit US Services PMI	Nov F		56.7			14.45	1.45
US	Bloomberg Consumer Comfort	Nov-29					14.45	1.45
EC	Fed's Yellen appears before Congressional Joint Economic Committee							
US	Factory Orders	Oct		1.4		-1.00%	15.00	2.00
US	Factory Orders Ex Trans	Oct				-0.60%	15.00	2.00
US	Cap Goods Orders Nondef Ex Air	Oct F					15.00	2.00
US	ISM Non-Manf. Composite	Nov		58		59.1	15.00	2.00
Friday, 4 December 2015								
AU	Retail Sales MoM	Oct	0.2	0.4		0.40%	0.30	11.30
JN	Labor Cash Earnings YoY	Oct		0.5		0.60%	1.30	12.30
JN	Consumer Confidence Index	Nov		41.7		41.5	5.00	16.00
GE	Markit Germany Construction PMI	Nov				51.8	8.30	19.30
GE	Markit Germany Retail PMI	Nov				52.4	9.10	20.10
UK	Halifax House Prices MoM	Nov				1.10%	13.00	0.00
CA	Int'l Merchandise Trade	Oct	-1.6			-1.73b	13.30	0.30
US	Change in Nonfarm Payrolls	Nov		200		271k	13.30	0.30
CA	Net Change in Employment	Nov		-12.5		44.4k	13.30	0.30
US	Unemployment Rate	Nov		5		5.00%	13.30	0.30
CA	Participation Rate	Nov		65.9		66	13.30	0.30
US	Average Hourly Earnings MoM / YoY			0.2%/2.3%		0.4%/2.5%		
US	Labor Force Participation Rate	Nov				62.40%	13.30	0.30
US	Trade Balance	Oct		-40.5		-\$40.81b	13.30	0.30
CA	Ivey Purchasing Managers Index SA	Nov		53.5		53.1	15.00	2.00
Upcoming Central Bank Interest Rate Announcements								
Australia, RBA		1-Dec	2.00%	2.00%		2.00%		
Europe ECB		3-Dec				0.05%		
Canada, BoC		3-Dec				0.50%		
New Zealand, RBNZ		10-Dec	2.50%	2.50%		2.75%		
UK BOE		10-Dec				0.50%		
US Federal Reserve		17-Dec				0-0.25%		
Japan, BoJ		18-Dec	0.0%-0.1%	0.0%-0.1%		0.0%-0.1%		

GMT: Greenwich Mean Time; AEDT: Australian Eastern Daylight Saving Time

Forecasts

Economic Forecasts

	Annual % change			Quarterly % change											
	2014	2015	2016	2014			2015			2016					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Australia Forecasts															
Household Consumption	2.4	2.5	2.4	0.5	0.6	0.5	0.8	0.6	0.5	0.7	0.6	0.6	0.6	0.6	0.7
Underlying Business Investment	-6.1	-8.1	-6.6	-1.9	-0.8	-1.4	-1.9	-3.8	-0.3	-2.3	-3.1	-1.1	-1.3	-1.4	-1.5
Residential Construction	8.0	10.9	7.1	4.3	1.7	-1.1	4.0	5.6	-1.1	4.5	2.6	2.0	1.2	0.5	-0.5
Underlying Public Spending	0.7	1.9	1.9	0.5	-0.2	-1.4	0.8	0.3	2.7	-0.7	0.4	0.4	0.6	0.6	0.6
Exports	6.7	6.5	8.7	3.3	-0.6	2.9	1.3	3.7	-3.3	5.0	2.1	2.0	2.0	2.1	2.3
Imports	-1.7	1.7	2.5	-2.3	2.9	-1.3	-1.8	3.2	-0.7	0.5	0.5	0.9	0.9	0.7	0.6
Net Exports (a)	1.7	1.0	1.4	1.2	-0.7	0.9	0.6	0.2	-0.6	1.0	0.4	0.3	0.3	0.3	0.4
Inventories (a)	0.0	0.0	0.0	-0.3	0.7	0.2	-0.7	0.5	-0.2	-0.2	0.0	0.2	0.0	0.0	0.0
Domestic Demand - qtr%				0.4	0.4	-0.5	0.6	0.3	0.8	0.3	0.2	0.5	0.4	0.3	0.3
Dom Demand - ann %	1.1	1.4	1.5	1.3	1.5	0.6	1.0	0.9	1.2	1.9	1.5	1.7	1.4	1.4	1.5
Real GDP - qtr %				0.9	0.6	0.4	0.5	0.9	0.2	0.8	0.6	0.9	0.7	0.6	0.8
Real GDP - ann %	2.7	2.3	2.9	2.9	2.8	2.8	2.5	2.5	2.0	2.4	2.5	2.5	3.0	2.9	3.0
CPI headline - qtr %				0.6	0.5	0.5	0.2	0.2	0.7	0.5	0.9	0.7	0.6	0.7	0.8
CPI headline - ann %	2.5	1.6	2.9	2.9	3.0	2.3	1.7	1.3	1.5	1.5	2.2	2.8	2.8	3.0	3.0
CPI underlying - qtr %				0.6	0.6	0.4	0.6	0.7	0.5	0.3	0.7	0.7	0.6	0.7	0.6
CPI underlying - ann %	2.5	2.3	2.5	2.7	2.7	2.5	2.2	2.4	2.3	2.2	2.3	2.2	2.4	2.7	2.6
Wages (Pvte WPI -ann %)	2.5	2.2	2.2	2.6	2.4	2.4	2.5	2.3	2.2	2.2	2.2	2.3	2.2	2.2	2.2
Unemployment Rate (%)	6.0	6.1	6.1	5.8	6.0	6.2	6.1	6.2	5.9	6.2	6.0	6.2	5.9	6.2	6.0
Terms of trade	-7.5	-9.8	-3.2	-1.5	-4.6	-3.2	-1.8	-2.6	-3.5	-1.4	-0.6	0.3	-1.2	-0.8	-0.9
G&S trade balance, \$Abn	-9.4	-28.7	-22.1	2.1	-4.7	-3.9	-2.9	-4.8	-9.6	-7.4	-6.9	-5.9	-6.0	-5.4	-4.7
% of GDP	-0.6	-1.8	-1.3	0.5	-1.2	-1.0	-0.7	-1.2	-2.4	-1.8	-1.7	-1.4	-1.4	-1.3	-1.1
Current Account (% GDP)	-3.0	-4.0	-3.6	-2.4	-3.6	-3.3	-2.9	-3.3	-4.7	-4.1	-3.9	-3.7	-3.7	-3.5	-3.4

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

Exchange Rate Forecasts

	30-Nov	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Majors						
AUD/USD	0.7174	0.70	0.68	0.69	0.70	0.70
NZD/USD	0.6519	0.62	0.61	0.61	0.61	0.60
USD/JPY	122.78	121	122	123	124	125
EUR/USD	1.0582	1.06	1.05	1.05	1.06	1.07
GBP/USD	1.5033	1.52	1.51	1.48	1.45	1.44
USD/CNY	6.3944	6.40	6.50	6.60	6.65	6.70
USD/CAD	1.3379	1.34	1.38	1.37	1.36	1.37

Australian Cross Rates

	30-Nov	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
AUD/JPY	88.1	85	83	85	87	88
AUD/EUR	0.6779	0.66	0.65	0.66	0.66	0.65
AUD/GBP	0.4772	0.46	0.45	0.47	0.48	0.49
AUD/NZD	1.1005	1.12	1.12	1.14	1.16	1.17
AUD/CNY	4.5873	4.48	4.42	4.55	4.66	4.69
AUD/CAD	0.9598	0.94	0.94	0.95	0.95	0.96
AUD/CHF	0.7394	0.69	0.66	0.69	0.71	0.74

Interest Rate Forecasts

	30-Nov	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16
Aust rates						
RBA Cash rate	2.00	2.00	2.00	2.00	2.00	2.00
3 month bill rate	2.27	2.25	2.25	2.25	2.25	2.25
3 Year Swap Rate	2.21	2.3	2.2	2.3	2.4	2.6
10 Year Swap Rate	2.99	3.2	3.2	3.4	3.4	3.4
Offshore Policy Rates						
US Fed funds	0.25	0.50	0.50	0.75	1.00	1.25
ECB refi rate	0.05	0.05	0.05	0.05	0.05	0.05
BoE repo rate	0.50	0.50	0.50	0.50	0.75	0.75
BoJ overnight call rate	0.08	0.10	0.10	0.10	0.10	0.10
RBNZ OCR	2.75	2.50	2.50	2.50	2.50	2.50
China 1yr lending rate	4.35	4.35	4.10	3.85	3.85	3.85
China Reserve Ratio	17.5	17.5	17.0	16.5	16.0	16.0
10 Year Benchmark Bond Yields						
Australia	2.84	3.1	3.1	3.3	3.3	3.4
United States	2.22	2.5	2.5	2.8	2.8	2.8
Europe/Germany	0.46	0.8	0.9	1.0	1.2	1.2
UK	1.82	2.1	2.2	2.3	2.4	2.4
New Zealand	3.53	3.5	3.6	3.9	3.8	3.8

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP

Dec year	2013	2014	2015	2016	2017	20 Yr Avge
Australia	2.1	2.7	2.3	2.9	3.2	3.4
US	2.2	2.4	2.4	2.5	2.4	2.6
Eurozone	-0.3	0.9	1.3	1.7	1.9	1.5
UK	2.2	2.9	2.4	2.3	2.2	2.4
Japan	1.6	-0.1	0.7	1.2	1.0	0.8
China	7.7	7.3	6.9	6.7	6.5	9.2
India	6.4	7.1	7.4	7.5	7.5	6.6
New Zealand	2.3	3.3	2.2	1.8	2.0	3.0
World	3.4	3.3	3.0	3.2	3.3	3.5

Commodity prices (\$US)

	30-Nov	Dec-15	Mar-16	Jun-16	Sep-16
WTI oil	41.90	49	52	54	55
Gold	1056	1050	1010	990	990
Iron ore	45	54	55	53	51
Hard cok. coal	112	90	93	94	95
Thermal coal	62	68	62	62	62
Copper	4592	5330	5300	5280	5280
Japan LNG	8.9	10.2	10.6	11.1	11.4

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