

Australian Markets Weekly

What are company profit trends telling us about the Australian economy?

- Company profits reveal the continuing sharp hit to mining company profits and profits in related sectors. The Australian economy is continuing to re-calibrate to post-commodity boom levels of activity. While mining profits are clearly a big drag, the non-mining recovery is impressive, with non-mining GDP growth currently running in the 3-4% region.
- Tomorrow's RBA Board meeting text should be watched closely for any reintroduction of an explicit easing bias - as occurred in March 2015 following the easing in February 2015.
- Significant market moves in the \$A and Australian rates due to softer than expected US May non-farm payrolls data.

Recent developments

Australian and world markets had very sharp moves in Friday night trading after the release of much weaker-than-expected May US employment data, which saw only 38,000 jobs created (73,000 after including 35,000 striking Verizon workers) and nearly 60,000 of downward revisions to prior estimates of employment growth over March/April. That said, the unemployment rate fell to a new cycle low of 4.7% (-0.3 percentage points, albeit with reduced participation), while average earnings edged up a further 0.2% m/m to record an annual rate of 2.5%.

The reaction in rate and currency markets was dramatic, the US\$ weakening sharply against almost all currencies, driving the \$A/US\$ to just under US\$0.74, though the unit has eased back around three quarters of a cent from these highs in early Monday trading. Interest rate markets also reacted sharply, with Australian three-year bond yields initially down nearly 8 bps lower but retracing to be still 5 bps lower, near record lows of 1.5%. US markets saw the weak jobs gain as severely reducing the chances of any near-term Fed action on interest rates: a June hike is now seen as only a 4% chance; a June or July hike is a 31% possibility; a hike by September is less than 50% priced, while a full hike is now not priced until the March 2017 Board meeting.

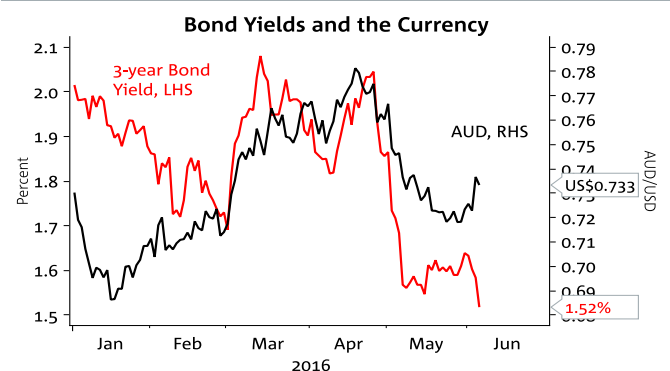
US equity markets finished near their highs, in spite of the knee-jerk negative reaction to the jobs report, though Australian markets were a fraction weaker on the week as iron ore prices continued to reverse recent gains.

Key markets over the past week

	Last	% chg week		Last	bp / % chg week
AUD	0.7351	2.3	RBA cash	1.75	0
AUD/CNY	4.82	1.9	3y swap	1.78	-7
AUD/JPY	78.4	-1.7	ASX 200	5,319	-1.6
AUD/EUR	0.647	0.4	Iron ore	50.1	-2.1
AUD/NZD	1.060	-1.2	WTI oil	48.9	-0.9

Source: Bloomberg

Chart 1: Big market moves after weak US jobs report



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The week ahead

Is any week not a relatively busy or important one?

This week, the key focus in Australia will be on the Reserve Bank's June Board meeting (Tuesday) after tonight's set-piece speech from Fed Chair Yellen on "The Economy and Monetary Policy" that stands to have a large bearing on market sentiment and pricing.

We and the market will be looking for the extent to which the Bank maintains a bias to ease monetary policy after the May cut on the very low Q1 CPI outcome. The Feb/May 2015 easings may be an important reference template. Then, after easing in February but including no bias, the Bank was immediately back on the front foot with an explicit and relatively strong easing bias at its March meeting.

That statement concluded: *"At today's meeting the Board judged that, having eased monetary policy at the previous meeting, it was appropriate to hold interest rates steady for the time being. Further easing of policy may be appropriate over the period ahead, in order to foster sustainable growth in demand and inflation consistent with the target. The Board will further assess the case for such action at forthcoming meetings."*

NAB at this stage still does not see a further move by the RBA in the near term – certainly not at tomorrow's meeting, but does acknowledge another very low CPI outcome in Q2 could produce a cut in August. To see the 1-1.25% rate levels forecast by some market commentators, it would likely require a more significant weakening in Australian activity data, not something signalled by the NAB business survey or forecast by NAB.

The other major events this week are the RBNZ Board meeting on Thursday (no move is expected by our BNZ colleagues, though an easing bias is expected to be retained), while the weekend sees the raft of China's monthly Industrial Production, Retail Sales and Fixed Asset Investment data, which will be examined closely for signs of the extent to which Chinese activity has been boosted by recent government stimulus.

Q1 GDP and what do the latest company profits data tell us about the Australian economy

The past week saw the release of both Australia's Q1 GDP data and Q1 company profits trends. We'll focus in more depth shortly on non-mining company profit trends, because these are important in driving employment and non-mining investment, important elements of achieving self-sustaining economic growth.

But before then, we consider a brief summary of the Q1 GDP figures. It's likely the RBA would conclude that while the Q1 GDP outcome was somewhat stronger than expected, the broad themes of the GDP release were largely as expected, namely:

- Growth was boosted by strong net exports, the combination of strong resource export volumes (the result of all the mining investment of recent years) and reduced imports of capital investment (the counterpart of reducing mining investment);

- Residential real estate construction continues to contribute to growth in the economy;
- Private and government consumption continue to record reasonable growth;
- Non-mining investment is showing little momentum, while mining investment continues to fall as major projects complete;
- Price pressures remain very low and wages growth remains slow;
- Income growth is weak as a result of the lower terms of trade, with this weakness heavily concentrated in mining and regions of the economy with heavy exposure to mining (particularly Western Australia, the Northern Territory and parts of Queensland).

These trends are broadly the trends the RBA has been forecasting, albeit the quarterly outcome was higher than the Bank was forecasting. Its monetary policy settings will continue to be primarily determined by both the evolution of inflation and wages on the one hand, together with the implications for economic growth and particularly employment, of the net impact of the mining sector slowdown, global economic growth developments and the feedback loop of slower wages and low inflation into the domestic economy.

In this regard, a closer look at trends in Australian non-mining company profits is warranted, as company profit trends are likely to be important in driving the trend for employment and non-mining investment.

Chart 2 shows clearly that the weakness in Australian company profits in recent years has primarily reflected the downturn in mining profits, with non-mining company profits having generally been on an improving trend, albeit quite volatile on a quarterly basis. Indeed, how one interprets the latest sharp quarterly fall is likely to be important in how one assesses the overall trend in non-mining profits. In truth, the trend will likely not be clarified before the release of next quarter's company profits, though it's worth noting that the NAB Business Survey Profitability question continues to report that profitability has improved since 2013 (Chart 3), which is in keeping with the pick-up in employment and decline in the unemployment rate since 2014 and likely reflects improved performance of the non-mining economy.

Chart 2: Weakness in profits due to mining profit decline

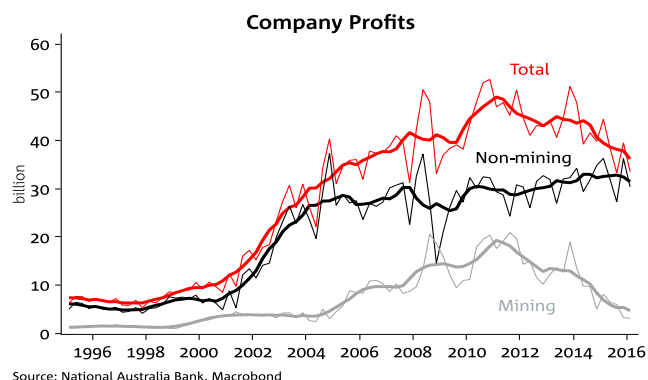


Chart 3: NAB Business Survey Profitability shows no decline

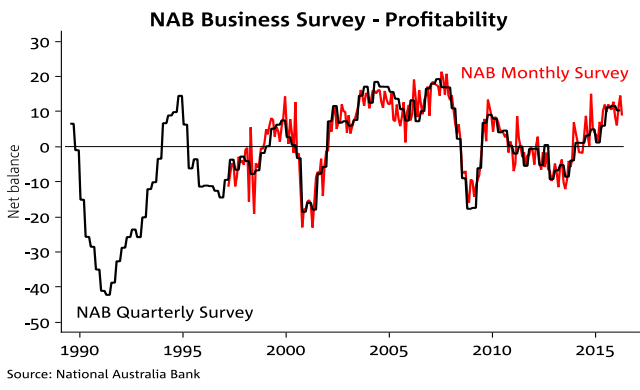
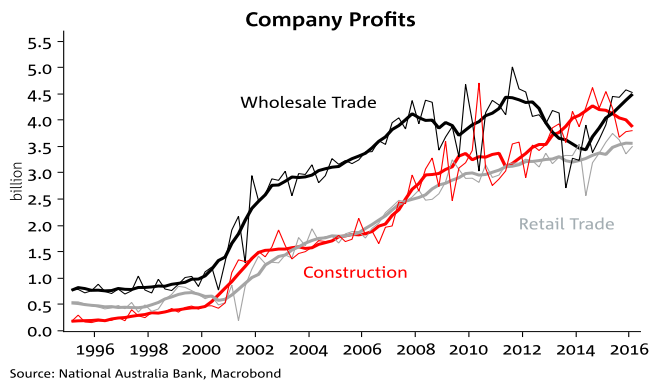


Chart 5: Construction likely reflects mining; retail improving



In trying to ascertain the underlying trend in profits, it's worth noting that the quarterly fall in the March quarter was dominated by significant drops in two large sectors, namely Real Estate and Manufacturing (see Chart 4). The drop in Real Estate seems mainly to reverse an outsized gain in the previous quarter, while the drop in Manufacturing profitability is harder to explain as the manufacturing component of the NAB Business Survey has been improving for at least a year, manufacturing capacity utilisation is rising and the lower \$A and housing recovery anecdotally are boosting manufacturing. Perhaps the drop reflects the problems at particular producers, or those manufacturers who have closed no longer participating in the survey (termed survivorship bias), or perhaps it's a seasonal adjustment issue, which will bounce back strongly next quarter.

Chart 6: Service reasonably robust

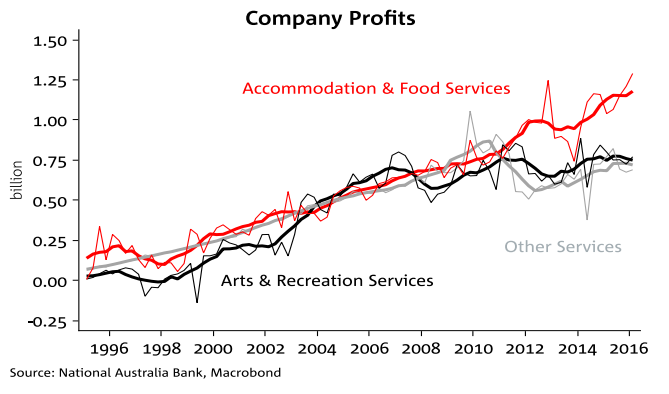


Chart 4: Real Estate and Manufacturing explain Q1

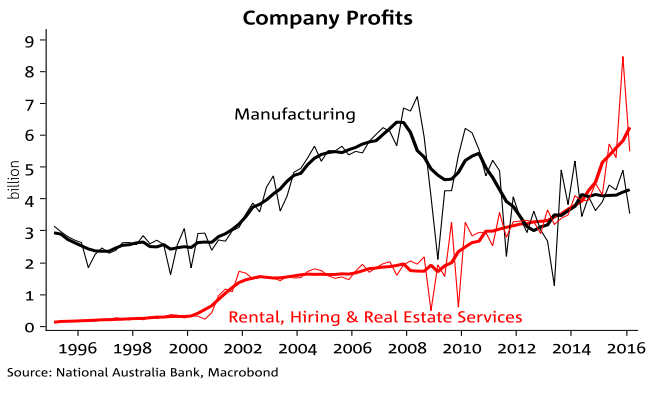
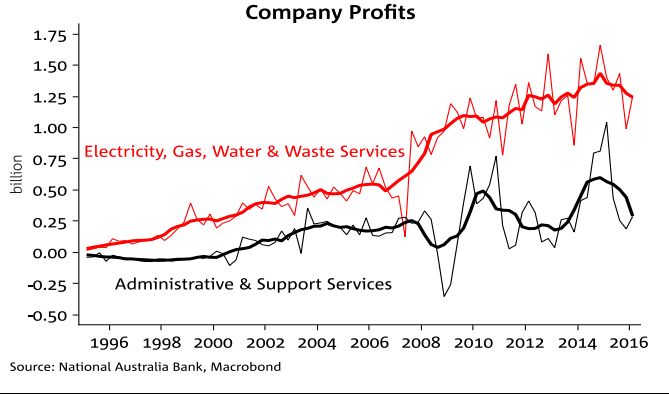


Chart 7: Hydro Tas affect? Not sure what's affecting Admin



Looking at the trends in company profits by sector over the past year to try to ascertain the main developments and cross-reference them with other developments in the economy, we note in the charts below that:

- The strongest areas of the Australian economy in company profit terms have been: Real Estate; Retail Trade; Wholesale Trade; Transport; and Accommodation; while
- The weakest areas of the economy in terms of reported company profit trends have been: Mining; Construction; Finance and Insurance (a very volatile component); Administration; Scientific Services; and Electricity, Gas and Water.

Chart 8: Transport oil boost; Scient. Serv. hit by mining

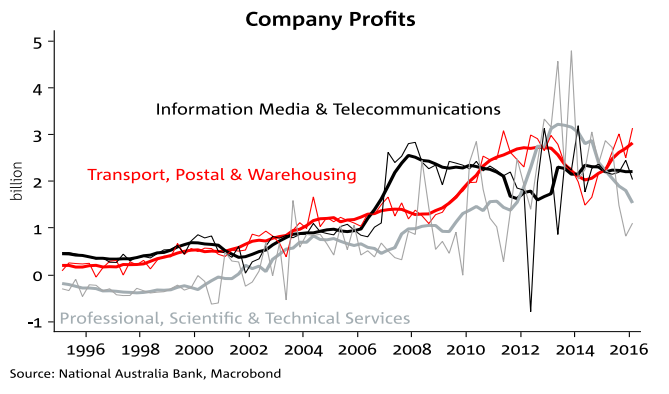
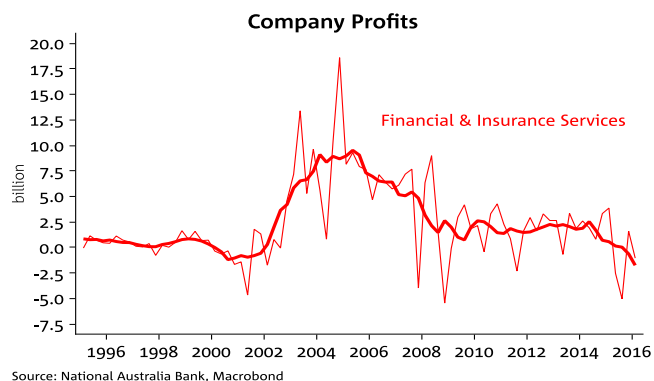


Chart 9: Smaller finance companies and insurance weak



The stronger parts of the economy seem to make sense, with most indicators of the retail sector suggesting a general improvement (with subdued labour costs likely helping), real estate and housing construction having been one of the strongest parts of the economy; and transport and accommodation benefiting from both lower oil prices and the lower \$A, which have boosted international traveller numbers and the number of Australians holidaying at home.

On the weaker side of the ledger, it's likely that the weakness in both Professional, -Scientific & Technical Services and Construction can be at least partly explained by the weakness in mining, though it would surprise to see construction profits remain as weak on a sustained basis given the extent of residential construction and infrastructure work currently in progress. Finance and Insurance is a small and very volatile category that includes brokerages – and importantly excludes the banking sector – which may also reflect the weakness in mining profits. It's not immediately clear the reason for the weakness in the Administration and Support Services category though again it could reflect weakness coming from the mining sector which uses its contract inputs, while it's possible – indeed likely - that weaker Electricity, Gas and Water profits in part reflects the challenges faced by Tasmania's electricity businesses following the outage of the Basslink cable and prolonged drought conditions. The good news is that seasonal rains have come, the dams are filling once again and the cable is expected to be fixed by the end of this month.

So what can we conclude? The bottom line is that both the company profits data and indeed the GDP data provide much the same conclusion. The Australian economy remains in the midst of its transition from exceptionally strong mining-led growth to broader non-mining growth. The economy needs and indeed is re-calibrating growth and activity levels to this post-commodity boom environment. Mining profits have experienced a significant fall – as have profits in a number of other related sectors. But other sectors have been improving. Monetary policy and the lower \$A are supporting this transition and recalibration of activity levels. But given the source of the downturn, there is only so much that interest rates can do as they do not directly impact on commodity prices.

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Calendar of Economic Releases

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEST
Monday, 6 June 2016								
NZ	Queen's Birthday holiday							
AU	Melbourne Institute Inflation MoM/YoY	May				0.1/1.5	1.00	11.00
AU	ANZ Job Advertisements MoM	May				-0.8	1.30	11.30
GE	Factory Orders MoM/YoY	Apr		-0.5		1.9/1.7	6.00	16.00
US	Fed's Rosengran Gives Keynote at Helsinki Central Banking Conf						6.00	16.00
GE	Markit Germany Construction PMI	May				53.4	7.30	17.30
EC	Sentix Investor Confidence	Jun		7		6.2	8.30	18.30
CA	Bloomberg Nanos Confidence	Jun 3				57.5	14.00	0.00
US	Labor Market Conditions Index Change	May		-0.8		-0.9	14.00	0.00
US	Fed Chair Yellen speaks on "Economic Outlook and Monetary Policy"						16.30	2.30
Tuesday, 7 June 2016								
NZ	ANZ Truckometer Heavy MoM	May				-2.4	22.00	8.00
NZ	Wholesale trade QoQ	Q1	1.0			-0.2	22.45	8.45
UK	BRC Sales Like-For-Like YoY	May		0.25		-0.9	23.10	9.10
AU	AiG Perf of Construction Index	May				50.8	23.30	9.30
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Jun 5				113.2	23.30	9.30
CH	Foreign Reserves	May		3200		3219.0	2.45	12.45
AU	RBA Cash Rate Target	Jun 7	1.75	1.75		1.75	4.30	14.30
JN	Leading Index CI	Apr P		100.7		99.3	5.00	15.00
GE	Industrial Production SA MoM/YoY	Apr		0.7		-1.3/0.3	6.00	16.00
EC	GDP SA QoQ/YoY	1Q F		0.5		0.5/1.5	9.00	19.00
US	Nonfarm Productivity	1Q F		-0.6		-1.0	12.30	22.30
US	Unit Labor Costs	1Q F		4		4.1	12.30	22.30
CA	Ivey Purchasing Managers Index SA	May		52		53.1	14.00	0.00
US	IBD/TIPP Economic Optimism	Jun		48.4		0.0	14.00	0.00
US	Consumer Credit	Apr		18		29.7	19.00	5.00
Wednesday, 8 June 2016								
NZ	Mfg Activity SA QoQ	1Q				-1.9	22.45	8.45
JN	BoP Current Account Adjusted	Apr		2035		1893.6	23.50	9.50
JN	GDP SA QoQ	1Q F		0.5		0.4	23.50	9.50
JN	GDP Annualized SA QoQ	1Q F		2		1.7	23.50	9.50
AU	Home Loans MoM	Apr	2.6	2.5		-0.9	1.30	11.30
AU	Investment Lending	Apr				1.5	1.30	11.30
CH	Trade Balance	May		55.6		45.6	2.00	12.00
CH	Exports/Imports YoY	May		-4.2		-1.8/-10.9	2.00	12.00
CH	Foreign Direct Investment YoY CNY	May		5		6.0	8-12 June release	
JN	Bankruptcies YoY	May				-7.1	4.30	14.30
UK	Industrial Production MoM/YoY	Apr		0		0.3/-0.2	8.30	18.30
CA	Housing Starts	May		190		191.5	12.15	22.15
CA	Building Permits MoM	Apr		2.3		-7.0	12.30	22.30
UK	NIESR GDP Estimate	May				0.3	14.00	0.00
US	JOLTS Job Openings	Apr		5650		5757.0	14.00	0.00
Thursday, 9 June 2016								
NZ	RBNZ Official Cash Rate	Jun 9	2.25	2		2.25	21.00	7.00
NZ	RBNZ News Conference on MPS						23.00	9.00
UK	RICS House Price Balance	May		35		41.0	23.10	9.10
JN	Machine Orders MoM/YoY	Apr		-3		5.5/3.2	23.50	9.50
NZ	RBNZ Testifies to Parliament's Finance and Expenditure Committee						1.10	11.10
CH	CPI/PPI YoY	May		2.3		2.3/-3.4	1.30	11.30
JN	Machine Tool Orders YoY	May P				-26.3	6.00	16.00
GE	Current Account Balance	Apr		21		30.4	6.00	16.00
GE	Labor Costs SA QoQ/YoY	1Q				0.5/2.1	6.00	16.00
EC	ECB's Draghi Speaks at Economic Forum in Brussels						7.00	17.00
UK	Trade Balance	Apr		-3700		-3830.0	8.30	18.30
EC	ECB's Villeroy, ESM's Regling on Panel at Brussels Forum						8.30	18.30
US	Initial Jobless Claims	Jun 4		270		267.0	12.30	22.30
CA	New Housing Price Index MoM	Apr		0.2		0.2	12.30	22.30
CA	Capacity Utilization Rate	1Q		81.3		81.1	12.30	22.30
CA	New Housing Price Index YoY	Apr		2.1		2.0	12.30	22.30
US	Bloomberg Consumer Comfort	Jun 5				43.2	13.45	23.45
US	Wholesale Inventories/Sales MoM	Apr		0.1		0.1/0.7	14.00	0.00
US	Household Change in Net Worth	1Q				1637.0	16.00	2.00
Friday, 10 June 2016								
NZ	Card Spending Retail/Total MoM	May	./-0.4	0.5		0.9/1.5	22.45	8.45
JN	PPI MoM/YoY	May		0.1		-0.3/-4.2	23.50	9.50
JN	Tertiary Industry Index MoM	Apr		0.7		-0.7	4.30	14.30
CH	Aggregate Financing CNY	May		950		751.0	release 10-15 June	
CH	New Yuan Loans CNY	May		750		555.6	release 10-15 June	
GE	CPI EU Harmonized MoM/YoY	May F		0.4/0		0.4/0.0	6.00	16.00
UK	Construction Output SA MoM	Apr		1.2		-3.6	8.30	18.30
UK	BoE/TNS Inflation Next 12 Mths	May				#N/A N/A	8.30	18.30
CA	Net Change in Employment	May		5		-2.1	12.30	22.30
CA	Unemployment Rate	May		7.1		7.1	12.30	22.30
CA	Participation Rate	May				65.8	12.30	22.30
NZ	REINZ House Sales YoY	May				18.4		
US	U. of Mich. Sentiment/5-10 yr inflation expectations	Jun P		94/		94.7/2.5	14.00	0.00
US	Monthly Budget Statement	May		-56		106.5	18.00	4.00
Sunday, 12 June 2016								
CH	Industrial Production YoY	May		6		6.0	5.30	15.30
CH	Industrial Production YTD YoY	May		5.9		5.8	5.30	15.30
CH	Retail Sales YoY	May		10.1		10.1	5.30	15.30
CH	Retail Sales YTD YoY	May		10.2		10.3	5.30	15.30
CH	Fixed Assets Ex Rural YTD YoY	May		10.5		10.5	5.30	15.30
Upcoming Central Bank Interest Rate Announcements								
Australia, RBA		7-Jun	1.75%	1.75%		2.00%		
New Zealand, RBNZ		9-Jun	2.00%	2.00%		2.25%		
US Federal Reserve		15-Jun	0.25-0.50%	0.5%-0.75%		0.25-0.50%		
Japan, BoJ		16-Jun		-0.1% to +0.1%		-0.1% to +0.1%		
UK BOE		16-Jun		0.50%		0.50%		
Canada, BoC		14-Jul				0.50%		
Europe ECB		21-Jul				0.00%		

GMT: Greenwich Mean Time; AEST: Australian Eastern Standard Time

Forecasts

Economic Forecasts

	Annual % change						Quarterly % change								
				2015			2016			2017					
	2015	2016	2017	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Australia Forecasts															
Household Consumption	2.8	2.6	2.4	0.7	0.5	0.9	0.8	0.7	0.4	0.5	0.6	0.6	0.7	0.7	0.6
Underlying Business Investment	-10.1	-13.9	-8.0	-4.3	-1.4	-5.5	-3.2	-4.7	-3.1	-3.2	-2.5	-2.4	-1.2	-0.8	-1.2
Residential Construction	9.5	5.2	0.9	4.8	0.6	1.9	2.2	1.4	0.8	0.7	0.3	0.3	0.4	-0.6	-0.6
Underlying Public Spending	1.9	3.0	2.6	1.0	2.0	-0.7	1.3	0.9	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Exports	6.1	9.7	9.5	3.7	-3.9	5.4	0.6	4.4	1.2	2.7	2.5	2.4	2.3	2.2	1.5
Imports	1.0	-0.9	2.0	2.6	0.3	-2.3	0.6	-0.4	-0.1	0.3	0.3	0.4	0.8	0.9	0.8
Net Exports (a)	1.1	2.3	1.8	0.3	-0.9	1.6	0.0	1.1	0.3	0.6	0.5	0.5	0.4	0.4	0.2
Inventories (a)	0.0	0.0	0.0	0.4	0.1	-0.1	-0.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic Demand - qtr %				0.3	0.6	-0.3	0.4	0.2	0.1	0.1	0.2	0.3	0.5	0.4	0.4
Dom Demand - ann %	1.0	0.7	1.2	0.6	1.3	1.2	1.1	0.9	0.4	0.8	0.6	0.8	1.1	1.4	1.5
Real GDP - qtr %				0.9	0.3	1.1	0.6	1.1	0.5	0.6	0.8	0.8	0.9	0.8	0.6
Real GDP - ann %	2.5	3.1	3.0	2.2	2.0	2.7	3.0	3.1	3.3	2.8	3.0	2.7	3.2	3.3	3.0
CPI headline - qtr %				0.2	0.7	0.5	0.4	-0.2	0.7	0.9	0.6	0.8	0.5	0.9	0.4
CPI headline - ann %	1.5	1.6	2.8	1.3	1.5	1.5	1.7	1.3	1.3	1.8	1.9	3.0	2.8	2.8	2.7
CPI underlying - qtr %				0.6	0.5	0.3	0.5	0.2	0.6	0.5	0.5	0.5	0.5	0.5	0.5
CPI underlying - ann %	2.2	1.7	2.0	2.3	2.2	2.1	2.0	1.5	1.6	1.8	1.8	2.1	2.0	1.9	1.9
Wages (Pvte WPI -ann %)	2.1	2.0	2.0	2.3	2.2	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Unemployment Rate (%)	6.0	5.6	5.5	6.2	5.9	6.2	5.9	5.8	5.6	5.6	5.5	5.5	5.5	5.5	5.5
Terms of trade	-11.4	-3.8	-3.0	-3.2	-3.9	-2.4	-3.2	-1.2	4.4	-2.1	-0.9	-1.5	-0.2	-0.8	-1.4
G&S trade balance, \$Abn	-33.2	-11.7	1.6	-4.7	-11.3	-7.3	-9.9	-6.6	-2.1	-2.0	-1.0	-0.6	0.6	1.1	0.5
% of GDP	-2.0	-0.7	0.1	-1.2	-2.8	-1.8	-2.4	-1.6	-0.5	-0.5	-0.2	-0.1	0.1	0.2	0.1
Current Account (% GDP)	-4.6	-3.4	-2.5	-3.4	-5.2	-4.6	-5.1	-4.3	-3.2	-3.1	-2.9	-2.8	-2.5	-2.4	-2.5

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

Exchange Rate Forecasts

	6-Jun	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Majors						
AUD/USD	0.7352	0.73	0.71	0.69	0.69	0.68
NZD/USD	0.6935	0.67	0.65	0.63	0.62	0.62
USD/JPY	106.70	109	110	111	111	112
EUR/USD	1.1356	1.14	1.12	1.11	1.10	1.10
GBP/USD	1.4464	1.46	1.45	1.45	1.44	1.44
USD/CNY	6.5858	6.55	6.60	6.65	6.60	6.55
USD/CAD	1.2944	1.34	1.39	1.45	1.44	1.44

Australian Cross Rates

	6-Jun	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
AUD/JPY	78.4	80	78	77	77	76
AUD/EUR	0.6474	0.64	0.63	0.62	0.63	0.62
AUD/GBP	0.5083	0.50	0.49	0.48	0.48	0.47
AUD/NZD	1.0601	1.09	1.09	1.10	1.11	1.10
AUD/CNY	4.8419	4.78	4.69	4.59	4.55	4.45
AUD/CAD	0.9516	0.98	0.99	1.00	0.99	0.98
AUD/CHF	0.7181	0.73	0.70	0.69	0.72	0.71

Interest Rate Forecasts

	6-Jun	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Aust rates						
RBA Cash rate	1.75	1.75	1.75	1.75	1.75	1.75
3 month bill rate	2.00	1.90	1.90	1.95	1.95	1.95
3 Year Swap Rate	1.79	1.8	1.8	1.8	1.8	2.0
10 Year Swap Rate	2.34	2.5	2.6	2.6	2.6	2.9
Offshore Policy Rates						
US Fed funds	0.50	0.50	0.75	1.00	1.00	1.25
ECB deposit rate	-0.40	-0.40	-0.40	-0.40	-0.40	0.60
BoE repo rate	0.50	0.50	0.50	0.50	0.50	0.50
BoJ excess reserves rate	-0.10	-0.10	-0.10	-0.10	-0.10	0.90
RBNZ OCR	2.25	2.00	1.75	1.75	1.75	1.75
China 1yr lending rate	4.35	4.10	3.85	3.85	3.60	3.60
China Reserve Ratio	17.0	16.5	16.0	16.0	16.0	16.0
10 Year Benchmark Bond Yields						
Australia	2.17	2.4	2.5	2.50	2.5	2.7
United States	1.70	2.0	2.3	2.25	2.3	2.5
Europe/Germany	0.07	0.0	0.0	0.0	0.0	0.0
UK	1.28	0.0	0.0	0.0	0.0	0.0
New Zealand	2.61	2.7	2.8	2.8	2.9	3.1

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP

Dec year	2013	2014	2015	2016	2017	20 Yr Avg
Australia	2.0	2.6	2.5	3.1	3.0	3.4
US	1.5	2.4	2.4	1.8	2.1	2.6
Eurozone	-0.3	0.9	1.5	1.5	1.5	1.5
UK	2.2	2.9	2.3	1.9	2.0	2.4
Japan	1.4	-0.1	0.5	0.4	0.7	0.8
China	7.7	7.3	6.9	6.7	6.5	9.2
India	6.4	7.1	7.5	7.6	7.4	6.6
New Zealand	2.4	3.7	2.5	2.4	2.5	3.0
World	3.3	3.4	3.0	2.8	3.2	3.5
MTP Top 5	3.9	3.8	3.8	3.6	3.6	5.0

Commodity prices (\$US)

	6-Jun	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
WTI oil	48.87	34	36	39	40	43
Gold	1248	1150	1100	1060	1040	1020
Iron ore	50	44	42	41	40	41
Hard cok. coal	89	79	81	82	83	84
Thermal coal	54	58	58	58	58	60
Copper	4694	4730	4870	5020	5070	5120
Japan LNG	7.4	5.2	5.8	6.2	6.4	6.6

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