

AUSTRALIAN MARKETS WEEKLY

Full-time jobs growth – should we worry?



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- Full-time jobs growth has slowed since 2013 and the latest employment data reported a loss of 44.8k full-time jobs in January, offset by a 58.3k rise in part-time jobs. While the full/part time split is notoriously volatile on a monthly basis, the trend is worth following as the full-time series historically has had a close relationship with the RBA cash rate.
- Delving into the ABS detailed quarterly statistics reveals the slowing in full-time jobs growth since 2013 is primarily due to job losses in the mining and manufacturing sectors – likely largely due to the mining investment unwind and structural change in a number of manufacturing areas. This lines up with state employment trends, with full-time job losses concentrated in the mining-dominated states of WA and Qld. More recently though, full-time jobs growth has also reportedly stalled in NSW, while there have been full-time job losses in the Wholesale and Retail sectors.
- Will full-time jobs turn around? SEEK job ads reveal a pick-up in full-time ads in Vic, a stable trend in NSW and signs of stabilisation in WA and Qld. While that overall does not suggest a significant pick-up in the pace of full-time job creation, it also does not suggest further deterioration. Nevertheless, such languid growth in full-time numbers will likely keep the RBA closely focused on the labour market in 2017. The Bank has continually expressed some difficulty in measuring momentum in the labour market.
- Market focus over the past week has been concentrated on the US where strong economic data helped lift the chances of a Fed rate hike in March to 40% – markets will be looking at Wednesday's Fed Minutes for any further clues. Domestically, the data focus ramps up with the Wage Price Index Wednesday and key pre-GDP partials of Construction Work Done Wednesday and Capital Expenditure Thursday. There are also a number of RBA events this week, but these are unlikely to add much more given Governor Lowe's recent speech and the Statement on Monetary Policy.

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Full-time job losses driven by mining and manufacturing

One feature of Australia's recent employment growth has been the subdued pace of full-time job creation at a time when part-time employment has grown strongly (Chart 1). Over the past year, full-time jobs have declined 40k in trend terms, while part-time jobs have risen 130k. The chart below shows that the trend to strong part-time employment growth is well established – it is the weakness in full-time employment that is unusual.

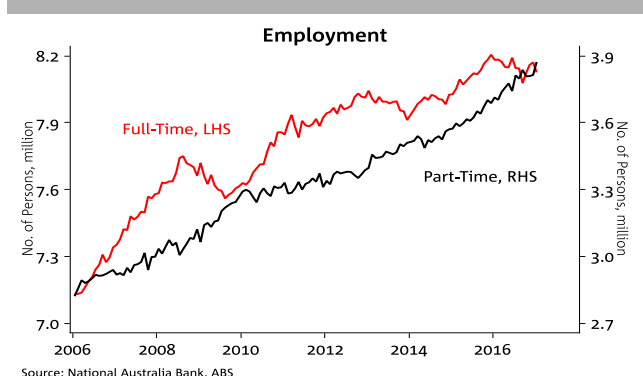
The state breakdown of full-time employment reveals that the decline in the past year has been driven by QLD (-42.6k), WA (-23.4k) and unusually NSW (-38.3k). Those declines have been partly offset by continued full-time job creation in Vic (+60k). The weakness in NSW full-time employment is perhaps reflective of general weakness in the NSW labour market with no new net jobs created in NSW over the past year. It is not clear at this

Key markets over the past week

	Last	% chg week		Last	bp / % chg week
AUD	0.7671	0.4	RBA cash	1.50	0
AUD/CNY	5.27	0.2	3y swap	2.15	7
AUD/JPY	86.8	-0.1	ASX 200	5,613	0.4
AUD/EUR	0.723	0.3	Iron ore	90.4	4.3
AUD/NZD	1.069	0.5	WTI oil	53.4	0.8

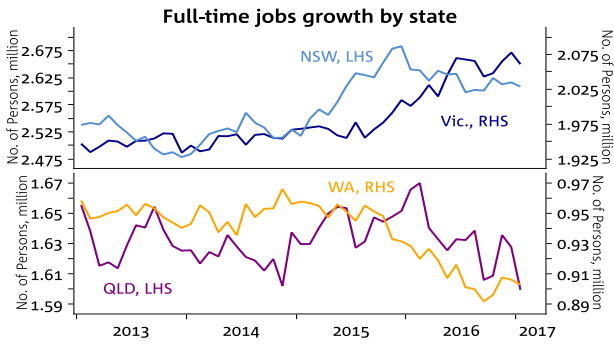
Source: Bloomberg

Chart 1: Full-time job creation slowed in 2016



stage what is driving the weakness in NSW employment and whether this is being partly driven by sampling problems in the ABS Labour Force survey as most indicators suggest the NSW economy continues to perform well. The decline in full-time employment in WA and Qld however lines up with job shedding associated with the mining investment unwind.

Chart 2: Weakness in full-time from Qld, WA and NSW



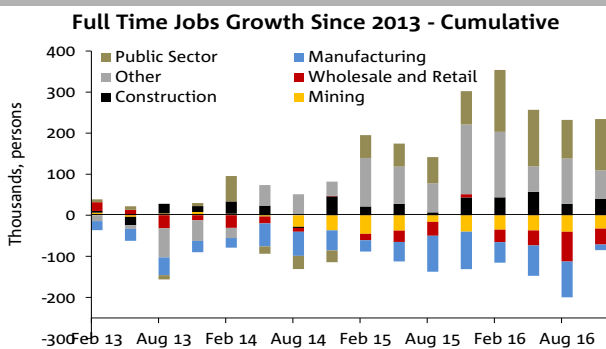
Source: National Australia Bank, Macrobond

What industries are dragging on full-time jobs growth?

Delving into the detailed ABS labour market statistics reveals the subdued trend in full-time job creation is primarily coming from job losses in the Mining and Manufacturing sectors. While the industry data are volatile, they reveal that since 2013 the Mining sector has lost 32.6k full-time jobs, and the Manufacturing sector 13.6k.

That suggests most of the drag on full-time employment has been coming from the mining investment unwind and combined with the state analysis above, and has been concentrated in WA and Qld. With mining leading the decline in full-time jobs, other sectors have been adding full-time jobs, in particular construction, public sector related jobs and other sectors, which mostly reflect the service sectors.

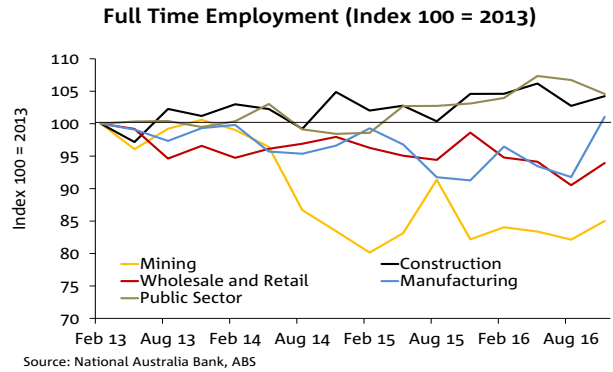
Chart 3: Full-time losses in Mining/Manufacturing/Retail



Source: National Australia Bank, ABS

The trends however also reveal a rise in job losses in the Wholesale and Retail sectors since mid-2016. Over the past year, the Wholesale sector has shed on net, 33.2k full-time positions, and the Retail sector 13.2k. The retail job losses align with anecdotal reports of a number of retail chains going into administration and could perhaps explain some of the weakness coming from NSW. The wholesale job losses however seem unlikely as they represent over 11% of employment in this sector. It will be important to keep watching the trend for retail in

Chart 4 Retail/Wholesale appears to be weak



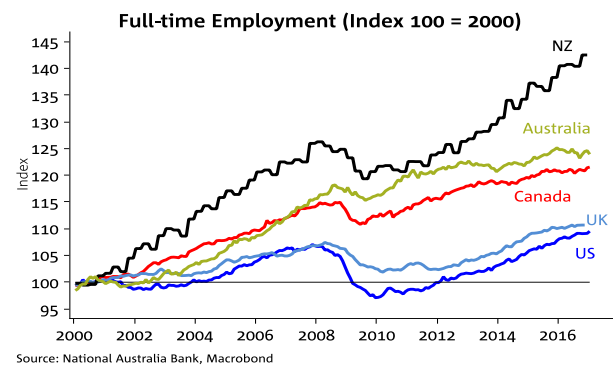
Source: National Australia Bank, ABS

coming months with the retailers continuing to report difficult business conditions amid a heightened competitive environment and growth in online sales.

What can international comparisons tell us?

While much focus has been on recent full-time jobs growth, over the past 16 years Australia has outperformed full-time job creation when compared to a selection of other countries. Part of this outperformance is related to Australia not experiencing the same sharp downturn following the GFC as other countries.

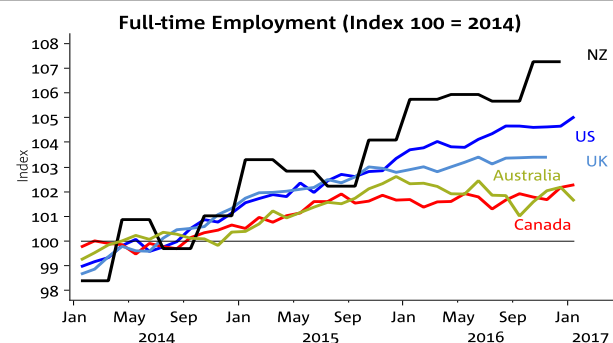
Chart 5: Australia avoided full-time job losses in the GFC



Source: National Australia Bank, Macrobond

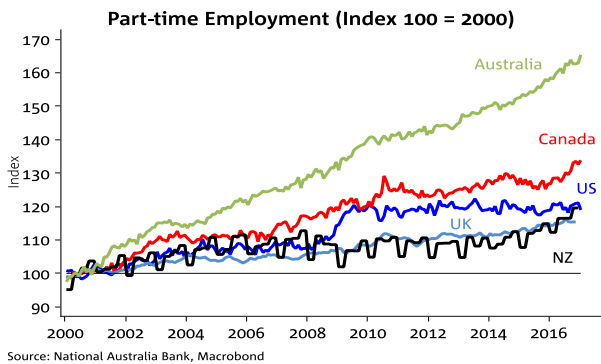
More recently though, full-time jobs growth has slowed relative to other countries – especially compared to NZ and the US. Australia's performance has in contrast largely tracked that of Canada, another country that has faced a large mining investment downturn. That again suggests much of the weakness in full-time employment growth has to do with the mining investment downturn.

Chart 6: Full-time jobs more recently underperforming



Source: National Australia Bank, Macrobond

Chart 7: Growth in part-time a global trend

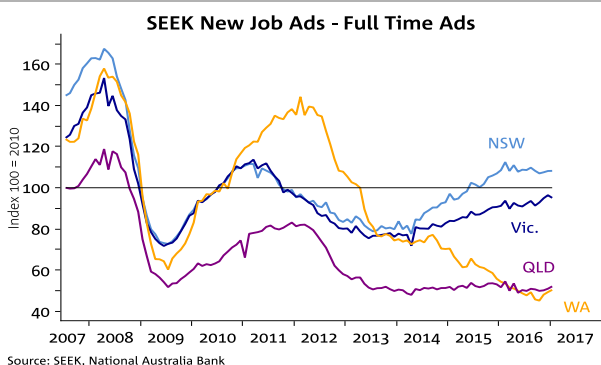


The rise of part-time employment appears to be a global phenomenon likely reflecting structural changes including those related to the information-economy, greater female participation, and the rise of the services economy.

Outlook

The outlook for full-time jobs growth has begun to improve slightly with job ads more positive for full-time jobs in Vic recently. The drag on overall full-time from mining-related job losses in QLD and WA appears also to be starting to peter out, with job ads starting to rise for full-time employment (albeit from a low base).

Chart 8: Full-time ads up in Vic/WA, stable in QLD/NSW



The past week

US economic data went boom in the past week with both the Headline CPI and core-Retail Sales printing twice as strong as the market consensus. The more important core measure of inflation also rose strongly, up 0.3% m/m to be 2.3% higher y/y. That read is important as the Fed targets PCE inflation at 2%, and CPI inflation is roughly equivalent to the PCE less 0.5% points – meaning core PCE is likely 1.8% y/y and very close to the Fed’s 2% target.

Fed Chair Yellen’s testimony last week reinforced the notion that the Fed appears to be wanting to hike rates three times in 2017 and that the March meeting is live. Dr Yellen noted “waiting too long to remove accommodation would be unwise, potentially requiring the FOMC to eventually raise rates rapidly, which could risk disrupting financial markets and pushing the economy into recession”. A rate hike would be appropriate “at our upcoming meetings”.

That saw market pricing for a March rate hike rise to 48% following the data, but pricing has now fallen back to 40%. Reaction in other markets (bonds, equities, currencies) to the data was also muted, suggesting that the week’s political events weighed on markets – Mike Flynn’s resignation, more alleged links with Trump’s pre-election team to Russia, and a re-ignition of Trump’s conflict with the media.

This week

The key domestic data this week are the Wage Price Index Wednesday and the pre-GDP partials of Construction Work Done Wednesday and the Capital Expenditure Survey (Capex) Thursday. There are also a number of RBA pieces this week (Minutes Tuesday, Lowe speech Wednesday, Testimony Friday) but these are unlikely to add much to current thinking given Governor Lowe’s recent remarks and the Statement on Monetary Policy.

Internationally, the data flow is very quiet. The US Fed Minutes Wednesday will be the one to watch to glean any further information on whether a March rate hike is probable (currently 40% priced), and whether the Fed is still looking to hike rates three times this year – the market currently prices 2.2 rate hikes in 2017. The market also awaits Trump’s “phenomenal” tax plan with details expected either this week or next.

As for the domestic pre-GDP partials, these will take on greater importance than usual as they will reveal the extent to which Q4 GDP is expected to bounce back after September’s weather-affected read. NAB currently expects Q4 GDP to print at 0.9% q/q, well up on last quarter’s -0.5% q/q.

The market consensus is for Construction Work Done to increase 0.5% q/q. NAB is expecting a somewhat larger than consensus rise of 1.5% q/q on the back of a ‘bounce’ in building work after the weather affected September quarter. For Capex, the market consensus is for a 0.5% decline, while NAB is expecting a sharper decline of 3.2% on a continued unwind in mining investment. The Capex survey also includes the first estimate of 2017/18 spend. NAB expects an initial estimate of \$74bn, down 12% from the \$84bn first estimate for 2016-17 given lower LNG investment. But importantly this figure also includes a 2% upgrade to non-mining investment intentions (a likely focus for the market). For more details please see our ‘What to Watch’ publication of Friday.

CALENDAR OF ECONOMIC RELEASES

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEDT
Monday, 20 February 2017								
NZ	Performance Services Index	Jan				58.4	22.30	8.30
NZ	PPI Input/Output QoQ	4Q		/		1.5/1.0	22.45	8.45
JN	Trade Balance Adjusted	Jan		275.5		356.7	0.50	10.50
JN	Exports/Imports YoY	Jan		5/4.8		5.4/-2.6	0.50	10.50
UK	Rightmove House Prices MoM/YoY	Feb		/2.8		0.4/3.2	1.10	11.10
US	Fed's Mester to Speak at Global Interdependence Center	Event					2.15	12.15
GE	PPI MoM/YoY	Jan		0.3		0.4/1.0	8.00	18.00
UK	CBI Trends Total Orders/Selling Prices	Feb		4/		5.0/28.0	12.00	22.00
CA	Wholesale Trade Sales MoM	Dec		0.4		0.2	14.30	0.30
US	Fed's Mester (nv) to speak at Central Banking Series							1.15
CA	Bloomberg Nanos Confidence	Feb 17				57.3	16.00	2.00
EC	Consumer Confidence	Feb A		-4.9		-4.9	16.00	2.00
Tuesday, 21 February 2017								
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Feb 19				116.4	23.30	9.30
JN	Nikkei Japan PMI Mfg	Feb P				52.7	1.30	11.30
AU	RBA Feb. Meeting Minutes						1.30	11.30
JN	All Industry Activity Index MoM	Dec		-0.2		0.3	5.30	15.30
GE	Markit/BME Germany Manufacturing PMI	Feb P		56		56.4	9.30	19.30
GE	Markit Germany Services/Composite PMI	Feb P		53.6/54.8		53.4/54.8	9.30	19.30
EC	Markit Eurozone Manufacturing PMI	Feb P		55		55.2	10.00	20.00
EC	Markit Eurozone Services/Composite PMI	Feb P		53.7/54.3		53.7/54.4	10.00	20.00
UK	Public Finances (PSNCR)/Public Sector Net Borrowing	Jan		-14.45		36.3/6.4	10.30	20.30
UK	BoEs Carney speaks at Parliament						11.00	21.00
US	Fed's Kashkari (v) speaks in Golden Valley, MN						14.50	0.50
US	Markit US Manufacturing PMI	Feb P		55.3		55.0	15.45	1.45
US	Markit US Services/Composite PMI	Feb P		55.8/		55.6/55.8	15.45	1.45
US	Fed's Harker (v) speaks on Economic Outlook						18.00	4.00
US	Fed's Williams (nv) speaks to students in Boise, Idaho						21.00	7.00
NZ	Global Dairy Auction, GDT-weighted price index (early AM)					1.3		
Wednesday, 22 February 2017								
AU	RBA Governor Lowe Speech in Sydney to Australia-Canada Economic Leadership Forum, Sydney						22.30	8.30
AU	Westpac Leading Index MoM	Jan				0.4	0.30	10.30
AU	Skilled Vacancies MoM	Jan				0.2	1.00	11.00
AU	Wage Price Index QoQ/YoY	4Q	0.4/1.8	0.5/1.9		0.4/1.9	1.30	11.30
AU	Construction Work Done	4Q	1.5	0.5		-4.9	1.30	11.30
CH	Property prices	Jan					2.30	12.30
NZ	Credit Card Spending MoM/YoY	Jan		/		3.1/8.5	3.00	13.00
GE	IFO Business Climate	Feb		109.6		109.8	10.00	20.00
GE	IFO Current Assessment/Expectations	Feb		116.6/103		116.9/103.2	10.00	20.00
UK	GDP QoQ/YoY	4Q P		0.6/2.2		0.6/2.2	10.30	20.30
UK	Index of Services MoM/ 3M/3M	Dec		0.1/0.8		0.3/1.0	10.30	20.30
UK	Total Business Investment QoQ/YoY	4Q P		0/0.2		0.4/-2.2	10.30	20.30
EC	CPI MoM/YoY	Jan		-0.8/1.8		0.5/1.1	11.00	21.00
EC	CPI Core YoY	Jan F		0.9		0.9	11.00	21.00
US	MBA Mortgage Applications	Feb 17				-3.7	13.00	23.00
CA	Retail Sales/ex autos MoM	Dec		0/0.6		0.2/0.1	14.30	0.30
CH	Conference Board Leading Economic Index	Jan					15.00	1.00
US	Existing Home Sales #/MoM	Jan		5.54/0.91		5.5/-2.8	16.00	2.00
US	Fed's Powell speaks on Economic Outlook in New York						19.00	5.00
US	FOMC Meeting Minutes	Feb 1					20.00	6.00
Thursday, 23 February 2017								
JN	PPI Services YoY	Jan		0.5		0.4	0.50	10.50
AU	Private Capital Expenditure	4Q	-3.2	-0.5		-4.0	1.30	11.30
AU	Capex intentions, 2016-17 (5th estimate)/2017-18 (first estimate)		107/74	.. /84		106.9/..	1.30	11.30
JN	BOJ Kiuchi speaks in Kofu						2.00	12.00
CH	Swift Global Payments, CNY YoY	Jan				1.68		
JN	Leading Index CI	Dec F				105.2	6.00	16.00
GE	GDP SA QoQ/WDA YoY	4Q F		0.4/1.7		0.4/1.7	8.00	18.00
GE	GfK Consumer Confidence	Mar		10.1		10.2	8.00	18.00
UK	CBI Total Dist./Retailing Reported Sales	Feb		24/2		26.0/-8.0	12.00	22.00
US	Chicago Fed Nat Activity Index	Jan		-0.025		0.1	14.30	0.30
US	Initial Jobless Claims	Feb 18		240		239.0	14.30	0.30
US	Fed's Lockhart to Speak on His 10-Year Tenure at the Fed						14.35	0.35
US	House Price Purchase Index QoQ	4Q				1.5	15.00	1.00
US	FHFA House Price Index MoM	Dec		0.4		0.5	15.00	1.00
US	Bloomberg Consumer Comfort	Feb 19				48.1	15.45	1.45
US	Kansas City Fed Manf. Activity	Feb		9		9.0	17.00	3.00
US	Fed's Kaplan (voter) speaks						19.00	5.00
Friday, 24 February 2017								
AU	Appearance by Philip Lowe, Governor, before the House of Representatives' Standing Committee on Economics						23.30	9.30
UK	BBA Loans for House Purchase	Jan		42600		43228	10.30	20.30
CA	CFIB Business Barometer	Feb				60.1		
CA	CPI NSA MoM/YoY	Jan		0.4/1.6		-0.2/1.5	14.30	0.30
CA	CPI Core- Common YoY%	Jan				1.4	14.30	0.30
CA	CPI Core- Median/Trim YoY%	Jan		/		2.0/1.6	14.30	0.30
US	New Home Sales #/MoM	Jan		571/6.5		536.0/-10.4	16.00	2.00
US	U. of Mich. Sentiment/5-10Yr Inflation	Feb F		96/		95.7/2.5	16.00	2.00
Upcoming Central Bank Interest Rate Announcements								
Canada, BoC		2-Mar	0.5%	0.5%		0.5%		
Australia, RBA		7-Mar	1.50%	1.50%		1.50%		
Europe ECB		9-Mar	-0.4%	-0.4%		-0.4%		
US Federal Reserve		16-Mar	0.5-0.75%	0.5-0.75%		0.5-0.75%		
Japan, BoJ		16-Mar	-0.1%	-0.1%		-0.1%		
UK BOE		16-Mar	0.25%	0.25%		0.25%		
New Zealand, RBNZ		23-Mar	1.75%	1.75%		1.75%		

GMT: Greenwich Mean Time; AEDT: Australian Daylight Savings Time

FORECASTS

Economic Forecasts																									
	Annual % change				Quarterly % change																				
	2015	2016	2017	2018	2015				2016				2017				2018								
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4					
Australia Forecasts																									
Household Consumption	2.7	2.8	2.5	2.1	0.6	0.6	0.9	0.8	0.8	0.5	0.4	0.9	0.7	0.5	0.6	0.6	0.5	0.6	0.5	0.6	0.5	0.4	0.4	0.4	0.4
Underlying Business Investment	-10.1	-11.7	-4.4	4.8	-3.3	-2.0	-5.6	-2.1	-3.4	-2.1	-4.5	-1.2	-1.0	-0.7	0.9	0.8	1.8	1.4	1.0	1.7	1.7	1.7	1.7	1.7	1.7
Residential Construction	10.0	9.0	2.8	-1.4	5.1	-1.2	3.6	1.8	4.1	2.6	-1.4	2.3	0.2	0.5	0.9	0.4	-0.8	-1.1	-1.0	-0.8	-0.8	-0.8	-0.8	-0.8	-0.8
Underlying Public Spending	2.4	4.1	2.8	2.6	1.3	1.9	-0.9	1.8	0.7	2.8	-0.6	1.0	0.6	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Exports	6.1	6.7	7.3	6.4	3.4	-2.8	4.2	0.8	2.6	2.1	0.3	1.0	2.4	2.2	2.3	2.1	1.5	1.2	0.8	0.9	0.9	0.9	0.9	0.9	0.9
Imports	2.0	0.5	5.7	5.4	2.5	0.8	-1.6	0.5	-0.8	2.9	1.3	1.5	1.2	1.1	1.5	1.4	1.3	1.3	1.1	1.2	1.1	1.2	1.1	1.2	1.2
Net Exports (a)	0.8	1.2	0.4	0.2	0.1	-0.7	1.2	0.1	1.0	-0.1	-0.2	-0.1	0.3	0.2	0.2	0.2	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1
Inventories (a)	0.1	0.1	-0.1	-0.1	0.6	-0.4	0.1	0.0	-0.1	0.2	0.2	0.0	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic Demand - qtr%					0.5	0.5	-0.3	0.6	0.1	0.8	-0.5	0.8	0.5	0.4	0.6	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Dom Demand - ann %	1.3	1.5	1.8	2.2	1.1	1.4	1.2	1.3	1.3	1.6	1.5	1.6	1.6	1.2	2.4	2.2	2.3	2.4	2.2	2.1	2.1	2.1	2.1	2.1	2.1
Real GDP - qtr %					1.1	0.1	0.8	0.6	1.0	0.6	-0.5	0.9	0.6	0.6	0.9	0.7	0.6	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Real GDP - ann %	2.4	2.4	2.3	2.4	2.5	2.0	2.4	2.6	2.5	3.1	1.8	2.1	1.7	1.7	3.1	2.8	2.9	2.7	2.7	2.2	2.2	2.2	2.2	2.2	2.2
CPI headline - qtr %					0.2	0.7	0.5	0.4	-0.2	0.4	0.7	0.5	0.5	0.6	0.7	0.6	0.4	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7
CPI headline - ann %	1.5	1.3	2.4	2.3	1.3	1.5	1.5	1.7	1.3	1.0	1.3	1.5	2.3	2.5	2.4	2.4	2.3	2.3	2.3	2.4	2.4	2.4	2.4	2.4	2.4
CPI underlying - qtr %					0.6	0.5	0.4	0.5	0.2	0.5	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.5	0.5	0.6	0.6	0.6	0.6	0.6	0.6
CPI underlying - ann %	2.2	1.6	1.8	1.9	2.4	2.3	2.2	2.0	1.6	1.6	1.5	1.6	1.8	1.8	1.9	1.9	1.8	1.8	1.8	2.0	2.0	2.0	2.0	2.0	2.0
Wages (Pvte WPI - ann %)	2.1	1.9	1.9	2.2	2.2	2.2	2.1	2.0	2.0	2.0	1.9	1.9	2.0	2.0	1.9	1.9	2.0	2.1	2.3	2.4	2.4	2.4	2.4	2.4	2.4
Unemployment Rate (%)	6.1	5.7	5.7	5.7	6.2	6.0	6.2	6.0	5.9	5.7	5.7	5.7	5.8	5.7	5.7	5.7	5.6	5.7	5.7	5.7	5.7	5.7	5.7	5.7	5.7
Terms of trade	-11.6	0.6	17.5	-1.8	-2.6	-4.3	-2.6	-3.7	-1.9	2.3	4.5	12.4	11.3	-5.6	-3.0	-3.4	-1.9	-1.8	-1.9	-1.5	-1.5	-1.5	-1.5	-1.5	-1.5
G&S trade balance, \$Abn	-36.7	-15.6	45.8	11.2	-4.8	-11.3	-9.0	-11.7	-8.4	-7.4	-4.7	4.9	16.5	12.0	10.0	7.4	5.8	3.9	1.7	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
% of GDP	-2.2	-0.9	2.5	0.6	-1.2	-2.8	-2.2	-2.8	-2.0	-1.8	-1.1	1.1	3.7	2.6	2.2	1.6	1.3	0.9	0.4	0.0	0.0	0.0	0.0	0.0	0.0
Current Account (% GDP)	-4.8	-2.6	1.0	-1.0	-3.3	-5.1	-5.0	-5.6	-3.6	-3.8	-2.7	-0.4	2.1	1.1	0.6	0.1	-0.3	-0.7	-1.2	-1.6	-1.6	-1.6	-1.6	-1.6	-1.6

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

Exchange Rate Forecasts

	20-Feb	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Majors						
AUD/USD	0.7669	0.73	0.72	0.70	0.70	0.69
NZD/USD	0.7205	0.70	0.68	0.67	0.67	0.68
USD/JPY	113.87	115	115	118	118	120
EUR/USD	1.0623	0.98	1.00	1.02	1.04	1.05
GBP/USD	1.2501	1.18	1.16	1.18	1.20	1.20
USD/CNY	6.8844	7.20	7.24	7.18	7.17	7.18
USD/CAD	1.3094	1.33	1.35	1.37	1.37	1.37

	20-Feb	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Australian Cross Rates						
AUD/JPY	87.3	84	83	83	83	83
AUD/EUR	0.7219	0.74	0.72	0.69	0.67	0.66
AUD/GBP	0.6135	0.62	0.62	0.59	0.58	0.58
AUD/NZD	1.0644	1.04	1.06	1.04	1.04	1.01
AUD/CNY	5.2796	5.26	5.21	5.03	5.02	4.95
AUD/CAD	1.0042	0.97	0.97	0.96	0.96	0.95
AUD/CHF	0.7697	0.71	0.69	0.74	0.74	0.73

Interest Rate Forecasts

	20-Feb	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Aust rates						
RBA Cash rate	1.50	1.50	1.50	1.50	1.25	1.25
3 month bill rate	1.78	1.75	1.75	1.50	1.50	1.50
3 Year Swap Rate	2.15	2.0	2.1	2.1	2.2	2.5
10 Year Swap Rate	3.04	3.0	3.0	3.0	3.0	3.3
Offshore Policy Rates						
US Fed funds	0.75	0.75	1.00	1.00	1.25	1.25
ECB deposit rate	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40
BoE repo rate	0.25	0.25	0.25	0.25	0.25	0.25
BoJ excess reserves rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
RBNZ OCR	1.75	1.75	1.75	1.75	1.75	1.75
China 1yr lending rate	4.35	4.35	4.10	4.10	4.10	4.10
China Reserve Ratio	17.0	17.0	16.5	16.5	16.5	16.5
10 Year Benchmark Bond Yields						
Australia	2.79	2.75	2.80	2.75	2.70	2.70
United States	2.41	2.40	2.50	2.50	2.50	2.50
New Zealand	3.30	3.25	3.30	3.35	3.30	3.30

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP

Dec year	2013	2014	2015	2016	2017	2018	20 Yr Avge
Australia	2.1	2.8	2.4	2.4	2.3	2.4	3.4
US	1.7	2.4	2.6	1.6	2.1	2.3	2.6
Eurozone	-0.3	1.1	1.9	1.7	1.9	1.8	1.5
UK	1.9	3.1	2.2	2.0	1.8	1.7	2.4
Japan	2.0	0.3	1.2	1.0	0.8	0.6	0.8
China	7.7	7.3	6.9	6.7	6.5	6.3	9.2
India	6.3	7.0	7.2	7.1	7.2	7.2	6.6
New Zealand	2.2	3.4	2.5	3.2	2.9	2.5	3.0
World	3.4	3.4	3.1	2.9	3.2	3.4	3.5
MTP Top 5	4.1	3.9	4.0	3.8	3.8	3.6	5.0

Commodity prices (\$US)

	20-Feb	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
WTI oil	53.37	53	54	56	58	59
Gold	1235	1180	1170	1150	1140	1130
Iron ore	90.4	75	66	63	60	58
Hard cok. coal	162	285	215	180	150	125
Thermal coal	80	62	65	65	65	65
Copper	5952	5730	5670	5620	5620	5620
Aust LNG (#N/A Invalid Security)		7.3	7.9	8.3	8.5	8.9

(*) Implied Australian LNG export prices.

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