

AUSTRALIAN MARKETS WEEKLY



RBA to stick with gradual inflation uplift ahead

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- It was an interesting end to last week, locally with soft September Retail Sales throwing soft wages and uneven consumer spending into the limelight. In the US, a solid print on non-farm payroll employment came with softer average hourly earnings, the still missing element on the path to higher inflation.
- Soft local retail conditions will very likely get acknowledgement in tomorrow’s RBA Board Statement. In August, the Bank noted consumption as a “source of uncertainty, slow growth in real wages and high household debt likely to constrain spending”. Higher utility and rising petrol prices could now be added to those headwinds.
- The local data will need to strengthen in coming months for markets to believe that the RBA will lift rates next year. Lower Q3 inflation and now soft retailing makes a hike in the first part of next year much less likely. NAB’s call remains that the Bank will not begin to lift rates until the second half of next year. Lower unemployment will be a key trend to monitor in this regard – signs from the leading indicators suggest unemployment will fall.
- The RBA’s forecasts for the economy will be a key focus this week, both from the potted summary in tomorrow’s post-RBA statement and in detail in Friday’s Statement on Monetary Policy (SoMP). We expect the RBA to leave rates on hold. We expect the Bank to hold to its broad growth and inflation outlook, while nudging lower its unemployment forecasts.
- We expect the Bank to stick with its growth outlook of “around 3%”. Good 0.8%/1.8% growth in Q2 will have given the Bank’s real confidence its 2½% Dec 17 forecast is on track. (In Q3, there’s a strong base effect as a 0.4% contraction in Q3 16 drops out, which is likely to see annual growth closer to if not above 3%, a print we expect will give the market confidence a rate hike is in play for later next year.
- Note that Friday’s SoMP will dispense with forecast ranges, moving to point estimates for the key forecast variables.
- RBA forecasts for unemployment will likely be recast somewhat lower. Rather than 5-6%, the implied (mid-point of the forecast range) could be lowered by ¼% with a plausible “4” handle within sight.
- On inflation, the RBA’s Dec 17 implied underlying CPI forecast will likely to be held at 2%. The Bank is also likely to hold to its 2018 and beyond inflation forecasts (2% in 2018 then higher) given the growth/ unemployment outlook (and thus steady then higher wages), higher oil prices and a lower \$A offsetting a residual bad taste from the low Q3 print.

To contact NAB’s market experts, please click on one of the following links:

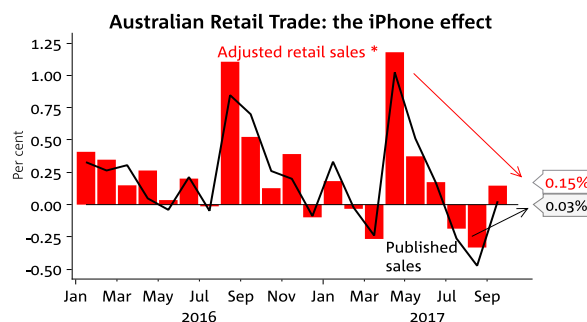
- [Ask the Economists](#)
- [Ask the FX Strategists](#)
- [Ask the Interest Rate Strategists](#)

Key markets over the past week

	Last	% chg week		Last	bp / % chg week
AUD	0.7648	-0.4	RBA cash	1.50	0
AUD/CNY	5.08	-0.4	3y swap	2.00	-6
AUD/JPY	87.5	0.3	ASX 200	5,947	0.5
AUD/EUR	0.658	-0.2	Iron ore	59.9	-0.3
AUD/NZD	1.110	-0.9	WTI oil	55.7	2.9

Source: Bloomberg

Chart of the week: Retail weakness overstated?

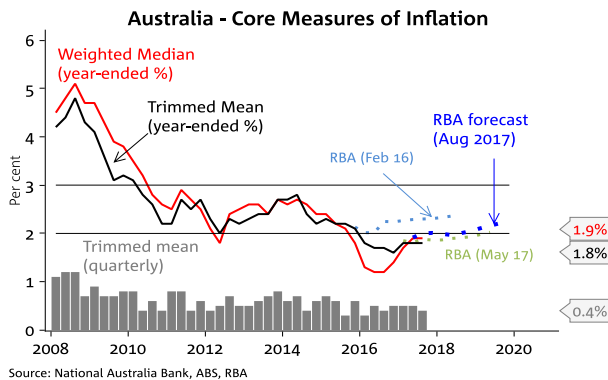


* Total sales less electrical store retailing and other recreational retailing, categories that include most phone sales.
Source: National Australia Bank, ABS

Reinforcing a “gradual” return to the inflation target

The RBA Board meets tomorrow and will be briefed on the Bank’s latest forecasts for the economy. Central to the Bank’s monetary policy outlook are its forecasts for inflation, the Bank targeting an inflation rate of 2-3% over time. In August, the Bank was forecasting a gradual return to its inflation target, its forecasts for trimmed mean inflation (often a measure used to represent the trend in inflation) not getting back into the target band until 2019 (see the dotted Aug 17 forecast track in Chart 2 below). We agree with that outlook as we think the Bank will confirm in detail in Friday’s SoMP.

Chart 2: Near-term inflation undershoot



Since the Board last met, the Statistician has released the September quarter CPI. The mid-point of the Bank’s Dec 17 forecast range for headline inflation could either be left unchanged or shaved by ¼%. Notwithstanding the lower than expected reading on underlying inflation in the September quarter (0.35%, the lowest for a year), underlying inflation so far this year has averaged close to ½% q/q, suggesting that 2% y/y to Dec 17 remains in play. Optically, the low reading for the quarter is a reminder that inflation has yet to break up through the bottom of the Bank’s 2-3% target range and will solidify the Bank’s view of a gradual return to target.

We also note in the inflation context that as a technical assumption, the Bank will be using something close to a \$US62/bbl Brent oil price as the basis for their inflation

forecasts. This is 17% higher than the \$US53/bbl assumption in the August SoMP. Combined with a revised technical assumption of a lower AUD/USD (closing last week at 0.7650, down from the 0.80 August assumption) implies around a 22% rise in ex-tax petrol prices. Pass through effects to consumers would add around ½ percentage points to CPI. Given the further likelihood of some second round effects to other goods and services (along with power and gas prices), it provides some counter to the downside surprise in underlying inflation in the September quarter. It could even see the Bank revise up its near-term forecasts for headline inflation a touch, say for Dec 17 by ¼ (possibly ½%), to 2¼% if not 2½%.

Note also that the Bank will be making some presentational change to its inflation (and other) forecasts in Friday’s SoMP. Instead of a 1% hi-lo range for inflation (and other variables), the Bank will publish its point forecasts in the Output Growth and Inflation Forecasts table in the Economic Outlook section¹. In any case, the point forecasts can be gleaned from the Bank’s inflation forecast fan chart that plots a line of the forecasts and confidence intervals around that range.

Still alert to consumption as a growth risk

Low growth of wages and household income will continue to be focussed on. This has been a consistent watch point for the Bank, the August forecast summary (when the Bank last updated its forecasts) calling out consumption as a “source of uncertainty for the domestic economy”, the Bank noting “slow growth in real wages and high levels of household debt likely to constrain growth in spending”.

Friday’s September Retail Sales report highlighted that uncertainty. The September quarter has been a soft quarter for retailers, volumes barely changing (+0.1% q/q) with no growth in September m/m coming after a 0.3% decline in July and a 0.5% further decline in August.

Even allowing for some likely understatement in seasonally adjusted sales in the month owing to the later than usual release of the iPhone last week (it’s been released in September in recent years; we estimate that effect to be worth 0.2% m/m), sales recently have been weak.

Table 1: RBA forecasts

SoMP forecasts compared to NAB's Forecasts

NAB's forecasts in Blue

	Year-ended											
	Dec-17		Jun-18		Dec-18		Jun-19		Dec-19		Jun-20	
	RBA	NAB	RBA	NAB	RBA	NAB	RBA	NAB	RBA	NAB	RBA	NAB
GDP growth	2-3	2.8	2½-3½	2.9	2¾-3¾	2.4	3-4	2.4	3-4	2.6		
Unemployment rate	5-6	5.4	5-6	5.3	5-6	5.2	5-6	5.2	5-6	5.1		
CPI inflation	1½-2½	2.1	1¾-2¾	2.5	1¾-2¾	2.4	2-3	2.5	2-3	2.4		
Underlying inflation	1½-2½	1.9	1½-2½	1.8	1½-2½	2.1	2-3	2.2	2-3	2.2		
Year average												
	2017		2017/18		2018		2018/19		2019		2019	
GDP growth	1¾-2¾	2.4	2¾-3¾	3.1	2½-3½	2.8	2¾-3¾	2.4	2¾-3¾	2.5		

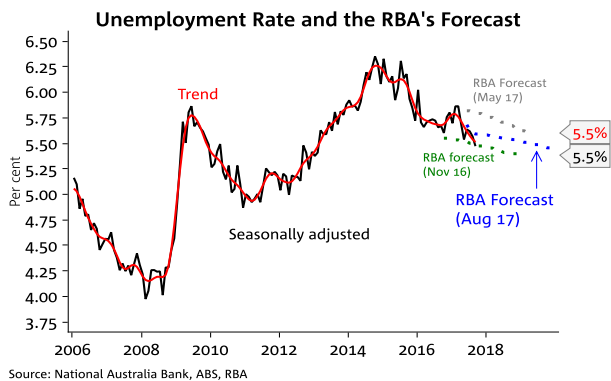
Source: NAB; RBA Statement on Monetary Policy, 4 Aug 2017

¹ See **Uncertainty**, Guy Debelle, Deputy Governor, RBA, 26 October 2017, available [here](#).

Still confidence in the broader growth outlook

If the labour market had been deteriorating rather than improving and if business activity had been worsening, the RBA would be a lot more concerned about the growth outlook. Rather, the labour market has continued to improve to the point where the Bank’s forecasts for unemployment appear to be on the conservative side. A forecast range of 5-6% for the end of this year remains conceivable (September’s unemployment rate was 5.5%), but the continued trend labour market improvement suggests that such a range for 2018 and beyond risks being too high, implying no further improvement.

Chart 3: Unemployment lower than the RBA expected



As to the broader growth outlook, the Bank is likely to stick with its view that the economy will grow by around 3%. Since the August SoMP, the June quarter national accounts revealed that the economy grew by 0.8%/1.8%, the sub 2% annual growth still held back by the September quarter 2016 0.4% contraction. That decline will drop out of the annual growth calculation for the September quarter and be replaced

in the September and December quarters by an average of 0.8% that will deliver 2¾%, somewhat higher than the 2½% August SoMP mid-point. (The RBA could well stick with a more conservative 2½% pick.) An unchanged mid-point RBA estimate of 2½% requires only modest 0.6% growth for each of the September and current quarters to be achieved.

NAB’s estimate for Q3 GDP is somewhat bolder – at 0.9%, an estimate that embodies soft 0.4% growth in household consumption. Industry reports and the NAB Business Survey suggest that construction activity is having a better second half after weather disruptions earlier this year.

Also in the growth context, we would note the continued improvement in business conditions and the continuing impulse from infrastructure spending. At a somewhat more technical level, while the then appreciating exchange rate had a “dampening” impact on growth in the lead up to the Bank’s August SoMP forecasts, the somewhat current lower level of the AUD would now assumed to be a little more supportive of the growth outlook. Likewise, the continued improvement in the global economic outlook would also be supportive, though in truth the new stimulus from both effects are small at the margin.

Week ahead: Geopolitics

For the week ahead, it’s a quieter week for data here and offshore. Housing Finance approvals on Thursday might draw some interest. Offshore, geopolitics-North Korea will be a focus with President Trump in Asia, including his address to the South Korea Parliament on Wednesday. The US Senate is expected to release its tax reform bill on Wednesday.

David.deGaris@nab.com.au
Tapas.Strickland@nab.com.au

CALENDAR OF ECONOMIC RELEASES

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEDT
Monday, 6 November 2017								
US/CA	The US and Canada move back to Standard Time (clocks back on hour)							
US/Asia	President Trump leaves on his first official visit to Asia, first visiting Japan							
JN	BOJ Minutes of Sept. 20-21 Meeting						23:50	10:50
AU	Melbourne Institute Inflation MoM/YoY	Oct		/		0.3/2.5	0.00	11.00
NZ	ANZ Commodity Price	Oct	-1.0			0.8	0.00	11.00
JN	Nikkei Japan PMI Services/Composite	Oct		/		51.0/51.7	0.30	11.30
AU	ANZ Job Advertisements MoM	Oct				0.0	0.30	11.30
JN	BOJ Kuroda makes a speech in Nagoya						1.00	12.00
NZ	2Yr Inflation Expectation	4Q				2.1	2.00	13.00
GE	Factory Orders MoM/YoY	Sep		-1.1/7.1		3.6/7.8	7.00	18.00
JN	BOJ chief economist speaks at conference						7.00	18.00
GE	Markit Germany Services/Composite PMI	Oct F		55.2/56.9		55.2/56.9	8.55	19.55
EC	Markit Eurozone Services/Composite PMI	Oct F		54.9/55.9		54.9/55.9	9.00	20.00
EC	Sentix Investor Confidence	Nov		31		29.7	9.30	20.30
US	New York Fed's Potter Speaks on Policy and Balance Sheet						10.30	21.30
CH	BoP Current Account Balance	3Q P				50.9		
CA	Ivey Purchasing Managers Index SA	Oct				59.6	15.00	2.00
US	Fed's Dudley Speaks on Lessons from the Financial Crisis						17.10	4.10
Tuesday, 7 November 2017								
NZ	Crown Financial Accounts	Sep qtr					21.00	8.00
AU	AIQ Perf of Construction Index	Oct				54.7	22.30	9.30
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Nov 5				113.4	22.30	9.30
JN	Labor Cash/Real Earnings YoY	Sep		0.5/-0.1		0.9/0.1	0.00	11.00
UK	BRC Sales Like-For-Like YoY	Oct		0.9		1.9	0.10	11.10
GE	Industrial Production SA MoM/YoY	Sep		-0.8/4.4		2.6/4.7	7.00	18.00
CH	Foreign Reserves	Oct		3107.5		3108.5	9.00	20.00
EC	Retail Sales MoM/YoY	Sep		0.6/2.8		-0.5/1.2	10.00	21.00
NZ	Dairy auction, early am NZT		down			-1.0		
US	JOLTS Job Openings	Sep		6053		6082.0	15.00	2.00
US	Fed's Quarles Speaks at Clearing House Conference						17.35	4.35
CA	Bank of Canada's Stephen Poloz Speech in Montreal						17.45	4.45
CA	Bank of Canada Governor Poloz Press Conference						19.00	6.00
US	Consumer Credit	Sep		17.5		13.1	20.00	7.00
Wednesday, 8 November 2017								
US/KR	President Trump addresses South Korean National Assembly							
NZ	Parliament opens 10.30 NZT							
JN	BOJ Funo makes a speech in Miyazaki						1.30	12.30
JN	Leading Index CI	Sep P		106.6		107.2	5.00	16.00
CH	Foreign Direct Investment YoY CNY	Oct				17.3	1.00	12.00
CH	Trade Balance CNY	Oct		274.4		193.0	2.00	13.00
CH	Trade Balance	Oct		39.45		28.5	2.10	13.10
CA	Housing Starts	Oct		210		217.1	13.15	0.15
CA	Building Permits MoM	Sep		0.1		-5.5	13.30	0.30
Thursday, 9 November 2017								
NZ	RBNZ Official Cash Rate	Nov 9	1.75	1.75		1.75	20.00	7.00
JN	BOJ Summary of Opinions at Oct. 30-31 Meeting						23:50	10:50
JN	Core Machine Orders MoM/YoY	Sep		-2/2		3.4/4.4	23:50	10:50
JN	BoP Current Account Adjusted	Sep		2053.3		2266.9	23:50	10:50
UK	RICS House Price Balance	Oct		4		6.0	0.10	11.10
AU	Home Loans, Owner-occupier # MoM/Investor \$ MoM	Sep	3.4/..	2/		1.0/4.3	0.30	11.30
CH	CPI/PPI YoY	Oct		1.7/6.6		1.6/6.9	1.30	12.30
GE	Current Account Balance	Sep		23.5		17.8	7.00	18.00
EC	ECB Publishes Economic Bulletin						9.00	20.00
UK	Industrial Production MoM/YoY	Sep		0.3/1.9		0.2/1.6	9.30	20.30
UK	Construction Output SA MoM/YoY	Sep		-0.9/1.6		0.6/3.5	9.30	20.30
UK	Trade Balance	Sep		-4600		-5626.0	9.30	20.30
EC	European Commission Economic Forecasts						10.00	21.00
UK	NIESR GDP Estimate	Oct				0.4	13.00	0.00
CA	New Housing Price Index MoM/YoY	Sep		0.2/		0.1/3.8	13.30	0.30
US	Initial Jobless Claims	Nov 4		231.5		229.0	13.30	0.30
EC	ECB's Villeroy de Galhau speaks in Brussels						15.00	2.00
US	Wholesale Inventories/Trade Sales MoM	Sep F		0.3/		0.3/1.7	15.00	2.00
Friday, 10 November 2017								
NZ	Card Spending Total/Retail MoM	Oct	0.4	/0.6		-0.1/0.1	21.45	8.45
AU	RBA Statement on Monetary Policy						0.30	11.30
JN	Tertiary Industry Index MoM	Sep		-0.1		-0.2	4.30	15.30
CH	New Yuan Loans/Aggregate financing CNY	Oct		775/1102.5		1270.0/1820.0	10-15 Nov	release
US	U. of Mich. Sentiment/5-10 Yr Inflation expectations	Nov P		100.6/		100.7/2.5	15.00	2.00
US	Baker Hughes U.S. Rig Count/Oil Rfig Count	Nov 10		/		898.0/729.0	18.00	5.00
US	Monthly Budget Statement	Oct		-45		8.0	19.00	6.00
Upcoming Central Bank Interest Rate Announcements								
Australia, RBA		7-Nov	1.50%	1.50%		1.50%		
New Zealand, RBNZ		9-Nov	1.75%	1.75%		1.75%		
Canada, BoC		7-Dec				1.00%		
US Federal Reserve		14 Dec	1.25-1.50%	1.25-1.50%		1.00-1.25%		
UK BOE		14-Dec	0.5%			0.50%		
Europe ECB		14-Dec	-0.4%	-0.4%		-0.4%		
Japan, BoJ		21-Dec	-0.1%	-0.1%		-0.1%		

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

FORECASTS

Economic Forecasts					Annual % change															
					2016				2017				2018				2019			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Australia Forecasts																				
Household Consumption	2.7	2.4	2.0	2.4	0.9	0.4	0.3	1.1	0.5	0.7	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	
Underlying Business Investment	-11.7	1.6	4.3	5.3	-3.4	-2.5	-4.6	1.3	2.2	0.8	1.3	0.3	1.5	0.9	1.2	1.3	1.4	0.8	1.7	
Residential Construction	7.6	-1.8	0.9	-1.2	4.0	1.1	-0.9	1.9	-3.7	0.2	0.8	0.4	0.3	0.0	-0.2	-0.2	-0.4	-0.4	-0.9	
Underlying Public Spending	4.8	3.8	3.2	4.0	0.8	2.3	0.3	1.1	0.5	1.8	0.3	0.8	0.8	0.8	0.9	1.1	1.1	1.1	1.1	
Exports	7.3	4.5	6.2	3.1	3.0	1.5	1.0	2.8	-2.2	2.7	2.4	1.8	1.5	0.9	0.9	0.8	0.8	0.7	0.6	
Imports	0.0	6.5	4.5	4.6	-0.8	2.3	1.4	1.6	2.2	1.2	1.1	1.1	1.2	1.1	1.0	1.0	1.3	1.1	1.3	
Net Exports (a)	1.5	-0.4	0.4	-0.3	1.1	-0.2	-0.1	0.3	-0.9	0.3	0.3	0.2	0.1	0.0	0.0	0.0	-0.1	-0.1	-0.1	
Inventories (a)	0.0	0.0	0.0	0.0	-0.1	0.3	0.1	-0.3	0.5	-0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Domestic Demand - qtr%					0.1	0.6	-0.3	1.2	0.6	1.0	0.5	0.5	0.6	0.6	0.6	0.6	0.8	0.7	0.8	
Dom Demand - ann %	1.6	2.6	2.5	2.8	1.4	1.6	1.3	1.9	2.0	2.4	3.3	2.6	2.7	2.3	2.4	2.5	2.6	2.7	2.9	
Real GDP - qtr %					1.0	0.8	-0.4	1.1	0.3	0.8	0.9	0.7	0.7	0.5	0.6	0.6	0.7	0.6	0.7	
Real GDP - ann %	2.5	2.4	2.8	2.5	2.6	3.2	1.9	2.4	1.8	1.8	3.2	2.8	3.2	2.9	2.6	2.4	2.4	2.4	2.5	
CPI headline - qtr %					-0.2	0.4	0.7	0.5	0.5	0.2	0.6	0.8	0.5	0.5	0.7	0.7	0.6	0.5	0.6	
CPI headline - ann %	1.3	2.0	2.4	2.5	1.3	1.0	1.3	1.5	2.1	1.9	1.8	2.1	2.2	2.5	2.5	2.4	2.5	2.5	2.4	
CPI underlying - qtr %					0.2	0.4	0.4	0.5	0.5	0.6	0.4	0.5	0.5	0.5	0.6	0.5	0.6	0.5	0.5	
CPI underlying - ann %	1.5	1.9	2.0	2.2	1.5	1.5	1.5	1.5	1.7	1.9	1.9	1.9	1.9	1.8	2.1	2.1	2.2	2.2	2.2	
Wages (Pvte WPI - qtr %)					0.5	0.4	0.5	0.4	0.5	0.4	0.5	0.4	0.5	0.4	0.8	0.7	0.6	0.6	0.6	
Wages (Pvte WPI - ann %)	1.9	1.9	2.0	2.4	2.0	1.9	1.9	1.8	2.0	1.9	1.9	1.8	1.8	1.8	2.1	2.4	2.5	2.6	2.4	
Unemployment Rate (%)	5.7	5.6	5.3	5.2	5.8	5.8	5.6	5.6	5.9	5.6	5.6	5.4	5.3	5.3	5.3	5.2	5.2	5.2	5.1	
Terms of trade	0.6	11.0	-1.1	-0.4	-1.9	2.5	4.7	10.5	5.6	-6.0	-1.5	-2.0	-2.5	-0.9	-0.8	-0.3	-0.4	-1.0	-0.2	
G&S trade balance, \$Abn	-12.5	15.2	-6.9	-20.5	-8.1	-6.9	-3.7	6.2	7.4	3.1	2.9	1.8	-0.4	-1.5	-2.3	-2.8	-3.6	-4.9	-5.8	
% of GDP	-0.7	0.8	-0.4	-1.1	-2.0	-1.6	-0.9	1.4	1.7	0.7	0.7	0.4	-0.1	-0.3	-0.5	-0.6	-0.8	-1.0	-1.2	
Current Account (% GDP)	-2.6	-2.0	-3.3	-4.0	-3.6	-3.7	-2.6	-0.8	-1.1	-2.1	-2.2	-2.4	-3.0	-3.3	-3.4	-3.5	-3.7	-4.0	-4.1	

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

Exchange Rate Forecasts

	6-Nov	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Majors						
AUD/USD	0.7648	0.75	0.74	0.73	0.73	0.73
NZD/USD	0.6913	0.70	0.69	0.69	0.70	0.70
USD/JPY	114.11	116	118	118	118	120
EUR/USD	1.1615	1.17	1.18	1.20	1.22	1.20
GBP/USD	1.3077	1.33	1.30	1.31	1.28	1.26
USD/CNY	6.6359	6.67	6.64	6.64	6.62	6.65
USD/CAD	1.2764	1.26	1.27	1.30	1.31	1.33
USD/CHF	1.0002	0.98	0.98	0.97	0.96	0.98

Australian Cross Rates						
	6-Nov	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
AUD/NZD	1.1063	1.07	1.07	1.06	1.05	1.04
AUD/JPY	87.3	87	87	86	86	88
AUD/EUR	0.6585	0.64	0.63	0.61	0.60	0.61
AUD/GBP	0.5848	0.56	0.57	0.56	0.57	0.58
AUD/CNY	5.0751	5.00	4.91	4.85	4.83	4.85
AUD/CAD	0.9762	0.95	0.94	0.95	0.96	0.97
AUD/CHF	0.7650	0.73	0.72	0.71	0.70	0.72

Interest Rate Forecasts

	6-Nov	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
Australia Rates						
RBA Cash rate	1.50	1.50	1.50	1.50	1.75	2.00
3 month bill rate	1.70	1.75	1.75	1.75	2.00	2.25
3 Year Swap Rate	2.00	2.4	2.5	2.7	3.0	3.2
10 Year Swap Rate	2.78	3.2	3.3	3.4	3.6	3.7
Offshore Policy Rates						
US Fed funds	1.25	1.50	1.75	2.00	2.00	2.25
ECB deposit rate	-0.40	-0.40	-0.40	-0.40	-0.30	0.00
BoE repo rate	0.50	0.25	0.50	0.50	0.50	0.50
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	2.00	2.25
China 1yr lending rate	4.35	4.35	4.35	4.35	4.35	4.35
China Reserve Ratio	17.0	16.5	16.0	16.0	16.0	16.0
10-year Benchmark Bond Yields						
Australia	2.57	3.00	3.05	3.05	3.30	3.40
United States	2.34	2.60	2.75	2.75	3.00	3.00
New Zealand	2.78	3.10	3.35	3.40	3.50	3.60

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP

Dec year	2014	2015	2016	2017	2018	2019	20 Yr Avg
Australia	2.8	2.4	2.5	2.4	2.8	2.5	3.4
US	2.6	2.9	1.5	2.1	2.3	2.0	2.6
Eurozone	1.4	1.9	1.8	2.2	2.0	1.6	1.5
UK	3.1	2.3	1.8	1.5	1.4	1.6	2.4
Japan	0.2	1.1	1.0	1.5	1.0	0.7	0.8
China	7.3	6.9	6.7	6.7	6.5	6.3	9.2
India	7.0	7.5	7.9	6.8	7.4	7.6	6.6
New Zealand	3.4	2.5	3.0	2.5	2.9	2.7	3.0
World	3.5	3.3	3.2	3.4	3.6	3.4	3.5
MTP Top 5	4.0	4.1	3.8	4.0	3.8	3.5	5.0

Commodity prices (\$US)

	6-Nov	Dec-17	Mar-18	Jun-18	Dec-18	Dec-19
WTI oil	55.74	51	52	54	58	60
Gold	1270	1270	1270	1280	1290	1300
Iron ore	59.9	62	60	62	60	60
Hard coking coal	180	160	140	120	100	101
Thermal coal	99	85	85	80	80	80
Copper	6870	6400	6340	6280	6280	6280
Aust LNG (*)	6.49	7.8	7.9	8.0	8.5	8.8

(*) Implied Australian LNG export prices.

CONTACT DETAILS

Market Economics

Ivan Colhoun
Chief Economist, Markets
+61 2 9237 1836
ivan.colhoun@nab.com.au

David de Garis
Director, Economics
+61 3 8641 3045
david.degaris@nab.com.au

Tapas Strickland
Economist
+61 2 9237 1980
tapas.strickland@nab.com.au

Markets Research

Peter Jolly
Global Head of Research
+61 2 9237 1406
peter.jolly@nab.com.au

Group Economics

Alan Oster
Chief Economist
+61 3 8634 2927
alan_oster@national.com.au

Riki Polygenis
Head of Australian Economics
+61 3 8697 9534
riki.polygenis@nab.com.au

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