AUSTRALIAN MARKETS WEEKLY

Inside housing: tracing through some impacts on the economy

National Australia Bank

In this issue

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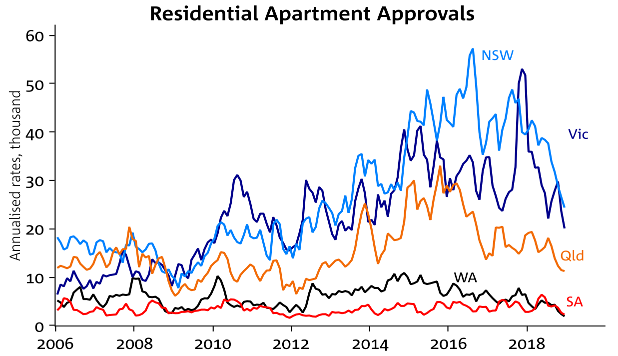
- After a big week last week centred on the RBA, the market has little chance to draw breath this week with both the January NAB Business Survey and December Housing Finance Approvals out tomorrow, both having become increasingly market sensitive.
- After last week's RBA Board meeting, Governor Lowe's speech on Wednesday when he said that the RBA now has a more balanced view on whether rates will move up or down next, then their articulated forecasts on Friday, the market has priced in a cut within a year and a two thirds chance of 50bps by mid next year.
- There are more RBA speeches this week, the first being "Remarks" by Alex Heath, Head of Economic Analysis Department, at the Australian Business Economists Forecasting Conference in Sydney on Wednesday, the second a speech from Christopher Kent, Assistant Governor (Financial Markets) at an FX event in Melbourne on Friday.
- Offshore this week, geopolitics will likely continue to occupy a good deal of the limelight. There is continued focus on the US Government shutdown which could, if there is no agreement over funding for the Wall, re-start on Friday. Two senior White House trade and economic officials, Lighthizer and Mnuchin are headed to China this week for trade talks as 1 March looms, the date when US tariffs on a further $200b of Chinese goods are due to increase from 10% to 25%.
- Elsewhere offshore, the RBNZ is expected to hold rates steady on Wednesday. China is back today after the Lunar New Year holiday week, with Thursday's trade report for January likely to draw both economic and political attention.
- In this Weekly, we delve further into the ins and outs of the Australian housing sector. With house prices having declined somewhat for over a year in most capital cities, we take a closer look to map out some of the impacts that are, and will flow through the economy.
- It wasn't surprising that the RBA sees dwelling investment as a coming drag on the economy over this year, next, and longer. They look for a cumulative decline of 10% in dwelling investment over this year and next. NAB's forecasts call for a decline of closer to 20%. NAB's forecast for the coming downturn in dwelling investment could see up to a 50-150K decline in directly-related "construction" employment depending on the extent of the decline, its depth and industry expectations and offsets from non-residential and infrastructure work. To date, the large pipeline of apartment development has supported activity, work that will dissipate as current projects under constructed run their course.
- Other economic impacts include the already occurring decline in house and unit resale turnover as prices and sales volumes fall. This is already pressing against real estate commissions, a pull-back in sales staff, and on State government stamp duty revenues. Slower turnover in the housing stock is also likely acting as a headwind to supplier industries with less people moving house.

Key markets over the past week

	Last	% chg week		Last	bp/% chg week
AUD	0.7089	-1.8	RBA cash	1.50	0
AUD/CNY	4.81	-1.1	3y swap	1.76	-13
AUD/JPY	77.8	-1.8	ASX 200	6,046	2.6
AUD/EUR	0.626	-0.7	Iron ore	91	10.6
AUD/NZD	1.051	0.1	WTI oil	52.7	-4.5

Source: Bloomberg

Chart of the week: The coming unit market shakeout



Source: National Australia Bank, ABS; three-month centred moving average

David de Garis, Director, Economics, Markets

Recent developments in Aus housing

The housing sector continues to draw a lot of understandable attention. Capital city house prices in February continue on a weak note, housing finance approvals have been easing, as has mortgage credit growth, while there was a stark drop in apartment approvals in December with likely more to come in this soft "housing" environment.

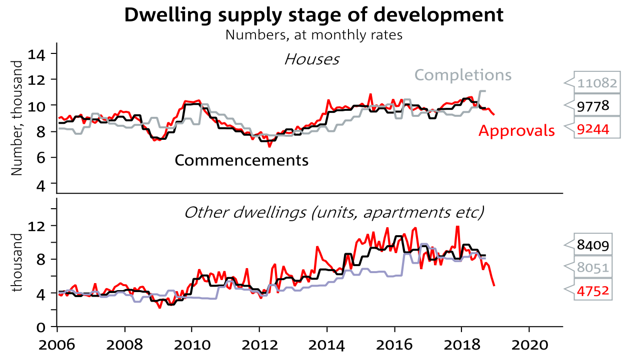
In this note, we delve into some already-occurring impacts and a big one yet to come.

Residential construction to fall from a high level

For economists tracking GDP, perhaps the most obvious channel of a downturn in housing – and possibly the largest - is through dwelling construction, which impacts through that part of the construction industry, via lower levels of employment in construction and related businesses.

Last week, the RBA downgraded their forecasts for GDP growth. The forecast included an expectation that dwelling construction would decline by a cumulative 10% over the next couple of years, a coming headwind for the economy once the current large pipeline of work is completed. The Bank also looked for apartment approvals to decline further over coming quarters, setting the tone for soft apartment activity into 2021 if not longer. It should be noted that these developments are not uniform across the country and that the Sydney market is arguably most affected currently, as is high rise apartment construction, including in Brisbane and Melbourne.

Chart 2: Approvals easing, especially apartments



Source: National Australia Bank, Macrobond

Industry reports point to a material slowdown in apartment and house sales, increasingly difficult financing conditions for borrowers including property investors, developers and constructors. Some borrowers are seeking out non-traditional sources of finance, though they come at a higher cost. There are also reports of increases in "already bought" units and land being put back to the market at discounted prices, a developing overhang of stock as a further market headwind to future sales.

With detached housing approvals and sales also in decline (though not as steeply as for the unit/apartment market), detached house construction is also entering a period of weaker construction that is likely to crystallise in this half.

Note also that a portion of "Alterations and additions" investment that has been strong when house (land) prices were rising is now rolling over. This housing "renovate and repair" market constitutes one third of total dwelling investment. Speaking from personal experience, the ageing dwelling stock also needs money spent on it to maintain the quality of the dwelling. This is a sizeable sub-market, occupied by "tradies" and related small businesses. The resilience of this sector depending on work from owner-occupiers on employment, household income, the cost of living, and, for property owners, also rentals and occupancy levels. Extreme weather events can also be at play.

The more detailed economic forecasts released by the RBA on Friday show a 4.5% decline in dwelling investment over the course of this year, another 5.3% through next year (cumulating to 10%).

Hit to related employment to continue and build

NAB's point forecasts call for a cumulative 18% decline in real dwelling investment this year and next. In the vicinity of 600k people are employed in residential construction or related construction services.

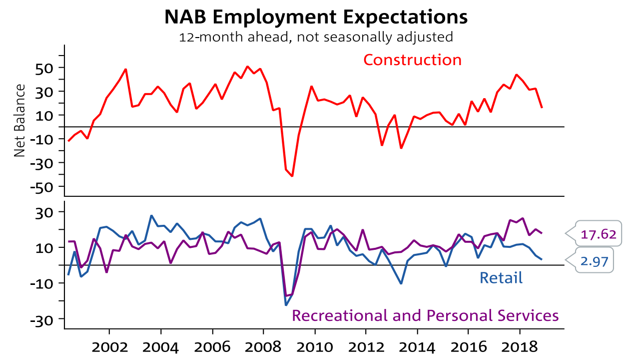
This looming forecast decline in dwelling investment would of itself likely lead directly to a decline in employment of anywhere between 50-150K, depending on how protracted the decline becomes, its perceived depth and offsets from elsewhere. There would likely also be fallout in industries supplying the resi construction sector from importers, manufacturers and hardware-supplying retailers and wholesalers, as well as in some related services (e.g. developers, the real estate industry, legal, accounting, finance, and plant hire).

Such a prospective decline emanating just from the building construction industry could amount over time to a 1% hit to aggregate employment.

In the past five years, total construction employment (including residential) has grown by just over 150k, increasing by 15.2% of an industry directly employing 1.156m as of November 2018. Dwelling investment has grown by one third and accounts for just over half of total construction activity.

Non-residential building has grown by 14.7% over the past five years, while new engineering construction is half the level it was in Q3 '13 when resource-related construction was close to its peak. Engineering activity and employment levels are set to rise in the period ahead on the back of higher levels of infrastructure employment. The most recent estimates of "Heavy and Civil Engineering" employment were a modest 99K.

Chart 3: Construction employment hiring scaling down



Source: National Australia Bank

It seems likely that infrastructure spending will fill at least some of that gap, while there has also been a modest upward trend in non-residential building approvals in recent years, though that trend has slowed over the past year.

Construction recruitment intentions waning

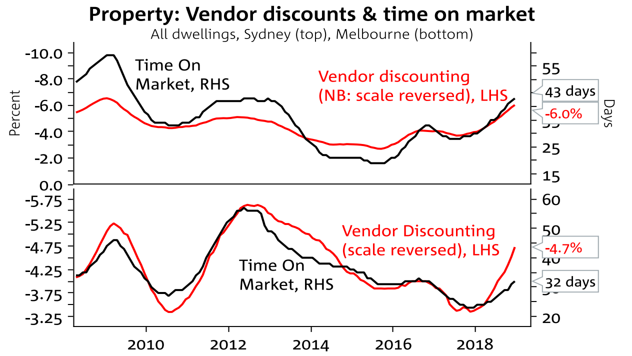
Signs of the looming decline in employment are already appearing. Last week's December quarter NAB Business Survey revealed an especially large decline in hiring over the next 12 months from the Construction industry. Employment intentions for the Australian businesses however remain high at a reading of +20, though even here, those intentions to increase employment have been scaled back for the past two-to-three quarters.

Slower turnover of the housing stock

Another channel operates through the slowdown in turnover of residential properties in the resale market. Declining prices have come alongside a slowdown in sales activity. CoreLogic reports that "Time on Market" and "Vendor discounting" have been increasing in Sydney and Melbourne now for the past year, though in the case of Sydney, it's been rising for longer and looks softer than Melbourne's after an earlier red hot market.

The tightening in lending standards has also been a headwind to sales, through previous APRA constraints on lending growth (some having been recently partly removed), borrower affordability tests, and careful attention to prospective borrowers' income and expense details.

Chart 4: Longer to sell and with more dicounting

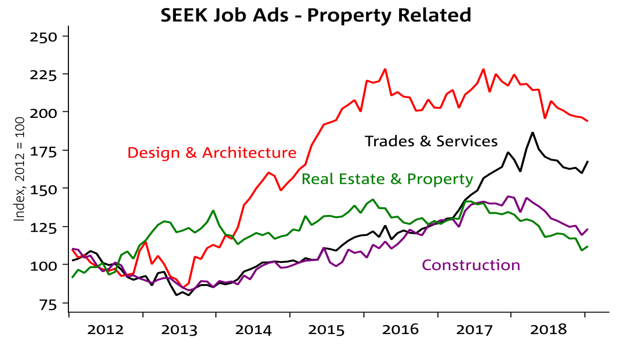


Source: CoreLogic, National Australia Bank, Macrobond

Such effects are now spilling through in at least two ways. The decline in prices and lower sales volumes is flowing through into slower real estate sales commission revenues. If ever there was any doubt, intended recruitment from the real estate property sector is already back to levels not seen since before the market began to accelerate earlier this decade.

Slower turnover of the housing stock not only affects the real estate industry but spills through into a lower level of activity from sectors that are associated with people moving from one house to another. For owner-occupiers, putting off a purchase resulting in less removals activity, also affecting cleaning services, and delaying the purchase of some household items for whitegoods and the like. The supply of such goods and services will also be crimped as dwelling investment declines from less building.

Chart 5: Seek related ads pulling back



Source: National Australia Bank, SEEK

State government stamp duty revenues are also declining from slower housing turnover. This was evident in the mid-year state government Budget updates, slower turnover amplified by a slower rate of foreign purchases that in recent years have attracted a higher rate of duty.

What next?

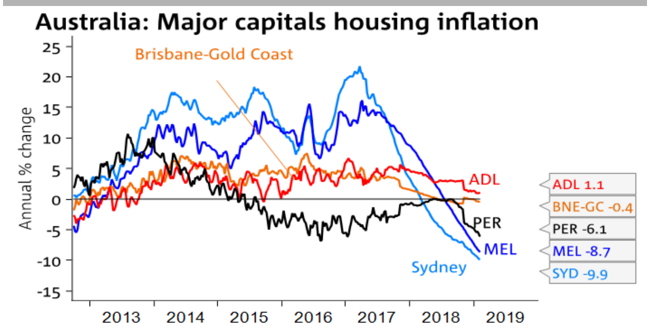
The current dwelling cycle is atypical in several respects. It comes at a time when the economy is growing at around its long term potential and with the economy close to full employment. Tracking the course of this cycle is going to be very important. So far, negative effects, while painful for some property owners and investors, has had much less of an impact on the macroeconomy.

Arguably, with prices still declining, it's going to take some time before residential construction activity could realistically be expected to turn the corner. A not immaterial decline in activity is already now in play.

House prices in Sydney and Melbourne are already 1.7% and 2.1% lower respectively so far this year, further pressuring the incentive to build, even though technically a step closer to the trough, whenever that might come for those out there with a more optimistic bent. Prices in Australia's two most-populous capital cities are both down close to double digit rates in year-to terms to mid-February, according to CoreLogic. Even so, it's hard to see a discernible impact on the economy so far – unemployment in these states remains at very low levels around 4.25%, while neither consumer confidence or retail sales have not dropped away to a significant extent.

As the RBA reminded in its recent Statement, watching how the house price decline spills over to consumer spending will be very important in correctly calling monetary policy in the period ahead.

Chart 6: Price declines continue into 2019



Daily data. Changes to hedonic price index measurement (September 2017).
Source: NAB, Macrobond, CoreLogic. Note also changes to hedonic measurement methodology released in November 2018.

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CALENDAR OF ECONOMIC RELEASES

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEDT
Monday, 11 February 2019								
JN	**Public Holiday - National Founding Day**							
CH	Foreign Reserves	Jan		3080		3072.71	11 Feb	
EC	ECB Vice President Luis de Guindos Speaks in Madrid						8.00	19.00
UK	GDP QoQ / YoY	4Q P		0.3/1.4		0.6/1.5	9.30	20.30
UK	Trade Balance	Dec		-3000		-2904	9.30	20.30
UK	Industrial Production MoM / YoY	Dec		0.1/-0.5		-0.4/-1.5	9.30	20.30
UK	GDP (MoM)	Dec		0		0.2	9.30	20.30
Tuesday, 12 February 2019								
NZ	ANZ Truckometer Heavy MoM	Jan				-4.1	21.00	8.00
AU	Home Loans MoM	Dec		-2		-0.9	0.30	11.30
AU	NAB Business Conditions / Confidence	Jan		/		2/3	0.30	11.30
US	NFIB Small Business Optimism	Jan		103		104.4	11.00	22.00
Wednesday, 13 February 2019								
NZ	QV House Prices YoY	Jan				3.2	16.00	3.00
AU	RBA's Heath Speaks at Australian Business Economists' Conference						20.50	7.50
AU	Westpac Consumer Conf Index	Feb				99.6	23.30	10.30
US	Fed's Mester Speaks on Economic Outlook and Monetary Policy						23.30	10.30
JN	PPI YoY	Jan		1		1.5	23.50	10.50
US	Fed's George Speaks on the U.S. Economy						0.30	11.30
NZ	RBNZ Official Cash Rate	13 Feb		1.75		1.75	1.00	12.00
NZ	2Yr Inflation Expectation	1Q				2.03	2.00	13.00
EC	ECB Governing Council Member Philip Lane Speaks in Dublin						8.05	19.05
UK	CPI MoM / YoY	Jan		-0.7/2		0.2/2.1	9.30	20.30
UK	CPI Core YoY	Jan		1.9		1.9	9.30	20.30
UK	Retail Price Index MoM / YoY	Jan		-0.8/2.66		0.4/2.7	9.30	20.30
UK	PPI Output NSA MoM / YoY	Jan		0/2.2		-0.3/2.5	9.30	20.30
EC	Industrial Production SA MoM / YoY	Dec		-0.4/-3.3		-1.7/-3.3	10.00	21.00
US	MBA Mortgage Applications	8 Feb				-2.5	12.00	23.00
US	CPI MoM / YoY	Jan		0.1/1.5		-0.1/1.9	13.30	0.30
US	CPI Ex Food and Energy MoM / YoY	Jan		0.2/2.1		0.2/2.2	13.30	0.30
US	Fed's Bostic to Speak to European Financial Forum in Dublin						13.50	0.50
Thursday, 14 February 2019								
NZ	Food Prices MoM	Jan				-0.2	21.45	8.45
JN	GDP SA QoQ / Annualised	4Q P		0.4/1.4		-0.6/-2.5	23.50	10.50
JN	GDP Deflator YoY	4Q P		-0.4		-0.3	23.50	10.50
AU	Consumer Inflation Expectation	Feb				3.5	0.00	11.00
CH	Trade Balance	Jan		33.805		57.06	14 Feb	
CH	Exports YoY	Jan		-3.3		-4.4	14 Feb	
CH	Imports YoY	Jan		-10.3		-7.6	14 Feb	
GE	GDP SA QoQ / YoY	4Q P		0.1/0.7		-0.2/1.1	7.00	18.00
EC	GDP SA QoQ / YoY	4Q P		0.2/1.2		0.2/1.2	10.00	21.00
US	PPI Final Demand MoM / YoY	Jan		0.1/2.1		-0.2/2.5	13.30	0.30
US	Initial Jobless Claims	9 Feb		225		234	13.30	0.30
US	Retail Sales Advance MoM / Ex Auto and Gas MoM	Dec		0.1/0.4		0.2/0.5	13.30	0.30
Friday, 15 February 2019								
AU	RBA's Kent Gives Speech in Melbourne						20.45	7.45
NZ	BusinessNZ Manufacturing PMI	Jan				55.1	21.30	8.30
NZ	Net Migration SA	Dec				4660	21.45	8.45
CH	CPI YoY	Jan		1.9		1.9	1.30	12.30
CH	PPI YoY	Jan		0.3		0.9	1.30	12.30
JN	Industrial Production MoM / YoY	Dec F		/		-0.1/-1.9	4.30	15.30
UK	Retail Sales Inc Auto Fuel MoM / YoY	Jan		0.2/3.4		-0.9/3	9.30	20.30
EC	Trade Balance SA	Dec		15.7		15.1	10.00	21.00
EC	ECB's Coeure Speaks in New York						13.00	0.00
US	Empire Manufacturing	Feb		7		3.9	13.30	0.30
US	Industrial Production MoM	Jan		0.1		0.3	14.15	1.15
US	Capacity Utilization	Jan		78.7		78.7	14.15	1.15
US	Fed's Bostic to Speak on Workforce Development in Alabama						14.50	1.50
US	U. of Mich. Sentiment / Expectations	Feb P		93.5/		91.2/79.9	15.00	2.00
US	Total Net TIC Flows	Dec				31	21.00	8.00
Upcoming Central Bank Interest Rate Announcements								
New Zealand, RBNZ		13-Feb	1.75%	1.75%		1.75%		
Australia, RBA		5-Mar	1.5%	1.5%		1.5%		
Canada, BoC		6-Mar	2%	2%		1.75%		
Europe, ECB		7-Mar	-0.4%	-0.4%		-0.4%		
Japan, BoJ		15-Mar	-0.1%	-0.1%		-0.1%		
US, Federal Reserve		20-Mar	2.25-2.5%	2.25-2.5%		2.25-2.5%		
UK, BOE		21-Mar	0.75%	0.75%		0.75%		

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

FORECASTS

Economic Forecasts

Australia Forecasts	Annual % change 2017	2018	2019	2020	2017 Q1	Q2	Q3	Q4
Household Consumption	2.4	2.5	2.3	2.5	0.4	0.8	0.6	1.1
Underlying Business Investment	3.7	1.9	3.2	5.1	3.3	0.3	3.7	0.4
Residential Construction	-2.4	4.7	-7.7	-8.6	-3.8	0.2	-1.3	0.3
Underlying Public Spending	4.5	4.3	4.1	4.5	1.1	1.4	1.0	1.1
Exports	3.5	5.4	4.0	2.8	-1.9	2.8	0.8	-1.5
Imports	7.7	3.8	1.7	3.7	3.0	0.2	3.3	0.6
Net Exports (a)	-0.8	0.4	0.5	-0.2	-1.0	0.5	-0.5	-0.5
Inventories (a)	-0.1	0.1	-0.1	0.0	0.4	-0.7	0.3	0.1
Domestic Demand - qtr%					0.7	0.9	0.8	0.8
Dom Demand - ann %	2.9	2.9	2.1	2.5	2.2	2.5	3.5	3.2
Real GDP - qtr %					**0.4**	**0.8**	**0.6**	**0.5**
Real GDP - ann %	2.4	2.9	2.4	2.3	**2.2**	**2.1**	**2.8**	**2.4**
CPI headline - qtr %					0.5	0.2	0.6	0.6
CPI headline - ann %	1.9	2.0	2.4	2.4	2.1	1.9	1.8	1.9
CPI underlying - qtr %					0.5	0.6	0.3	0.5
CPI underlying - ann %	1.9	1.8	2.0	2.3	1.7	1.9	1.9	1.9
Wages (Pvte WPI - qtr %					0.5	0.5	0.5	0.5
Wages (Pvte WPI - ann %)	1.9	2.1	2.5	2.7	1.8	1.8	1.9	1.9
Unemployment Rate (%)	5.6	5.3	4.8	4.8	5.9	5.6	5.5	5.4
Terms of trade	12.1	-0.1	-0.7	0.0	5.3	-5.9	-0.1	-0.1
G&S trade balance, $Abn	9.6	18.0	8.7	1.8	6.7	3.3	0.9	-1.2
% of GDP	0.5	1.0	0.4	0.1	1.5	0.7	0.2	-0.3
Current Account (% GDP)	-2.6	-2.5	-3.1	-3.5	-1.6	-2.4	-2.9	-3.4

Australia Forecasts	Quarterly % change 2018 Q1	Q2	Q3	Q4	2019 Q1	Q2	Q3	Q4	2020 Q1	Q2	Q3	Q4
Household Consumption	0.3	0.9	0.3	0.5	0.7	0.6	0.7	0.6	0.6	0.6	0.7	0.7
Underlying Business Investment	0.8	-0.8	-1.1	0.2	1.7	1.1	1.8	1.3	1.1	1.5	0.8	1.0
Residential Construction	3.8	1.9	1.0	-2.5	-2.6	-3.1	-2.9	-2.3	-2.2	-1.9	-2.0	-0.9
Underlying Public Spending	1.4	0.5	1.5	0.6	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Exports	4.3	1.2	0.1	0.7	1.5	1.4	0.8	0.7	0.6	0.7	0.5	0.8
Imports	1.9	0.5	-1.5	0.3	0.8	0.7	1.0	0.8	0.8	1.0	0.9	1.1
Net Exports (a)	0.5	0.2	0.3	0.1	0.2	0.2	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Inventories (a)	0.1	0.1	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic Demand - qtr%	0.8	0.7	0.3	0.4	0.6	0.5	0.7	0.6	0.6	0.7	0.6	0.7
Dom Demand - ann %	3.4	3.2	2.7	2.2	2.0	1.8	2.2	2.4	2.3	2.5	2.5	2.6
Real GDP - qtr %	**1.0**	**0.9**	**0.3**	**0.5**	**0.8**	**0.6**	**0.6**	**0.5**	**0.5**	**0.6**	**0.5**	**0.7**
Real GDP - ann %	**3.0**	**3.1**	**2.8**	**2.7**	**2.4**	**2.2**	**2.6**	**2.6**	**2.3**	**2.3**	**2.2**	**2.3**
CPI headline - qtr %	0.4	0.4	0.4	1.0	0.6	0.4	0.4	0.8	0.5	0.6	0.6	0.7
CPI headline - ann %	1.9	2.1	1.9	2.2	2.4	2.4	2.4	2.2	2.1	2.3	2.5	2.5
CPI underlying - qtr %	0.5	0.4	0.3	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6
CPI underlying - ann %	2.0	1.8	1.7	1.8	1.8	1.9	2.1	2.1	2.1	2.2	2.3	2.3
Wages (Pvte WPI - qtr %	0.6	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Wages (Pvte WPI - ann %)	2.0	2.1	2.1	2.3	2.3	2.4	2.5	2.6	2.6	2.7	2.7	2.8
Unemployment Rate (%)	5.5	5.6	5.1	4.9	4.8	4.7	4.8	4.7	4.8	4.7	4.8	4.8
Terms of trade	3.1	-1.1	0.9	-3.4	-0.8	-1.2	-0.9	0.3	-0.4	0.3	-0.4	0.2
G&S trade balance, $Abn	4.2	3.9	6.6	3.3	3.2	2.6	1.4	1.5	0.9	0.9	0.1	0.0
% of GDP	0.9	0.8	1.4	0.7	0.7	0.5	0.3	0.3	0.2	0.2	0.0	0.0
Current Account (% GDP)	-2.3	-2.6	-2.2	-2.9	-2.9	-3.1	-3.3	-3.3	-3.4	-3.4	-3.5	-3.5

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

Exchange Rate Forecasts

	11-Feb	Mar-19	Jun-19	Sep-19	Dec-19
Majors					
AUD/USD	0.7089	0.71	0.70	0.73	0.75
NZD/USD	0.6744	0.68	0.67	0.69	0.70
USD/JPY	109.70	113	113	110	108
EUR/USD	1.1323	1.17	1.18	1.20	1.23
GBP/USD	1.2941	1.35	1.40	1.43	1.45
USD/CHF	1.0000	0.98	0.98	0.99	0.97
USD/CAD	1.3270	1.31	1.31	1.27	1.27
USD/CNY	6.7451	6.88	6.82	6.68	6.60
Australian Cross Rates					
AUD/NZD	1.0512	1.04	1.04	1.06	1.07
AUD/JPY	77.8	80	79	80	81
AUD/EUR	0.6261	0.61	0.59	0.61	0.61
AUD/GBP	0.5478	0.53	0.50	0.51	0.52
AUD/CNY	4.7816	4.88	4.77	4.88	4.95
AUD/CAD	0.9407	0.93	0.92	0.93	0.95
AUD/CHF	0.7089	0.70	0.69	0.72	0.73

Interest Rate Forecasts

	11-Feb	Mar-19	Jun-19	Sep-19	Dec-19
Australia Rates					
RBA Cash rate	1.50	1.50	1.50	1.50	1.50
3 month bill rate	2.01	1.95	1.90	1.90	1.90
3 Year Swap Rate	1.72	1.85	1.85	1.95	2.05
10 Year Swap Rate	2.33	2.60	2.60	2.70	2.80
Offshore Policy Rates					
US Fed funds	2.50	2.50	2.50	2.50	2.50
ECB deposit rate	-0.40	-0.40	-0.40	-0.20	0.00
BoE repo rate	0.75	0.75	1.00	1.00	1.25
BoJ excess reserves rate	-0.10	-0.10	-0.10	-0.10	-0.10
RBNZ OCR	1.75	1.75	1.75	1.75	2.00
China 1yr lending rate	4.35	4.35	4.35	4.35	4.35
China Reserve Ratio	13.5	13.0	12.5	12.0	12.0
10-year Benchmark Bond Yields					
Australia	2.10	2.40	2.40	2.50	2.60
United States	2.63	2.80	2.80	3.00	3.00
New Zealand	2.10	2.85	3.10	3.20	3.30

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP

Dec year	2015	2016	2017	2018	2019	2020	20 Yr Avge
Australia	2.5	2.6	2.4	2.9	2.4	2.3	3.4
US	2.9	1.6	2.2	2.9	2.1	1.8	2.6
Eurozone	2.0	1.9	2.5	1.9	1.7	1.6	1.5
UK	2.3	1.8	1.7	1.3	1.6	1.5	2.4
Japan	1.4	1.0	1.7	0.8	1.2	0.9	0.8
China	6.9	6.7	6.9	6.6	6.3	6.0	9.2
India	8.2	7.1	6.7	7.4	7.1	7.2	6.6
New Zealand	3.5	4.0	2.8	2.9	2.6	2.6	3.0
World	3.5	3.3	3.7	3.7	3.5	3.5	3.5
MTP Top 5	4.1	3.8	4.2	4.0	3.7	3.5	5.0

Commodity prices ($US)

	11-Feb	Mar-19	Jun-19	Sep-19	Dec-19
Brent oil	62.1	60	65	65	70
Gold	1314	1276	1297	1305	1318
Iron ore	91.2	63	60	61	62
Hard coking coal	202	180	175	160	165
Thermal coal	97	105	103	101	100
Copper	6196	6350	6500	6600	6700
Aust LNG (*)	16.2	14.3	14.6	13.4	13.0

(*) Implied Australian LNG export prices.

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