

# AUSTRALIAN MARKETS WEEKLY

## Global risks intensify



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### Analysis – Global risks intensify

- The main domestic risk to the outlook is the uncertainty around consumer spending, where sluggish growth reflects stagnant real incomes and falling real household wealth. Wage growth remains low and forward indicators point to rising unemployment, but there have been some positive developments, with lower interest rates and tax cuts likely to boost incomes, while a stabilisation in house prices removes a sizable drag on real wealth.
- Internationally, though, the risks around the outlook have intensified given the escalation of the US-China trade war. Global growth has slowed as world trade and industrial production have contracted and uncertainty about policy has spiked. Business confidence has slumped in the advanced economies, which raises the risk that firms will defer investment and hiring plans, further slowing world growth.
- Some central banks have started cutting rates and the market now expects almost every bank to cut rates over the coming months. Locally, NAB expects additional policy stimulus given that we think it will take longer for the economy to recover than the Reserve Bank anticipates and increased global risks reinforce our view on the need for action. We forecast an additional 25bp cut to the cash rate from the RBA by November, to 0.75%, alongside fiscal stimulus from the government. Increased global risks may demand more stimulus than we assume, while the RBA could end up shouldering more of the burden in supporting the economy given the Commonwealth is reluctant to abandon its surplus objective in the near term. Ultimately, though, the government has a major role to play given it has significant scope to support the economy with public debt low by both past and international standards.

### The week ahead – The US-China trade war trumps the data; RBA speaker; key AU data

- In Australia, RBA Deputy Governor DeBelle speaks on the balance of payments on Tuesday, where he could discuss how low global interest rates reflect an excess of global saving. Key Q2 construction data are released on Wednesday with actual and expected business capital expenditure due Thursday. We forecast a fall of 1.2% in Q2 in total work done (mkt: -1%), as residential construction continues to fall (-3%). We expect a 1% decline in actual business investment in Q2 (mkt: 0.4%) and a modest upgrade to firms' plans. These data feed into Q2 GDP, released the following week, where NAB expects 0.5% growth in the quarter, underpinned by a 0.4ppt contribution from net exports. The RBA's implied forecast is for 0.8% growth in the quarter.
- Internationally, economic indicators will be overshadowed by the dramatic escalation of the US-China trade war over the weekend. US President Trump ordered US firms to leave China, then announced higher tariffs on Chinese imports. Trump said existing 25% tariffs on \$US250 billion in imports from China would rise to 30% on 1 October, a further \$US300 billion in Chinese goods will be taxed at 15% instead of 10% starting with the first tranche on 1 September, with the second batch of goods on 15 December.

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

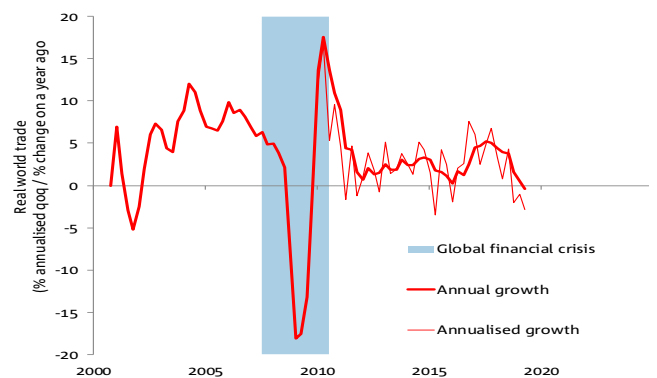
- [Ask the Economists](#)
- [Ask the FX Strategists](#)
- [Ask the Interest Rate Strategists](#)

### Key markets over the past week

	Last	% chg week		Last	bp/% chg week
AUD	0.6723	-0.6	RBA cash	1.00	0.00
AUD/CNY	4.80	0.6	3y swap	0.69	-0.03
AUD/JPY	70.7	-2.0	ASX 200	6422	-0.68
AUD/EUR	0.603	-1.2	Iron ore	86.5	-5.46
AUD/NZD	1.055	-0.1	Brent oil	58.5	-2.04

Source: Bloomberg

### Chart of the week: World trade is falling at a rapid rate

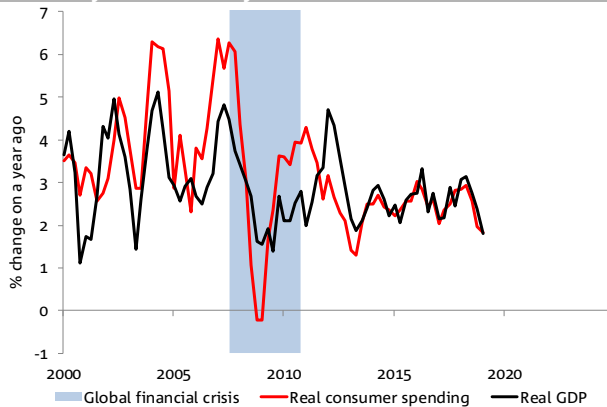


## Global risks intensify

### The main domestic uncertainty around the outlook relates to consumer spending

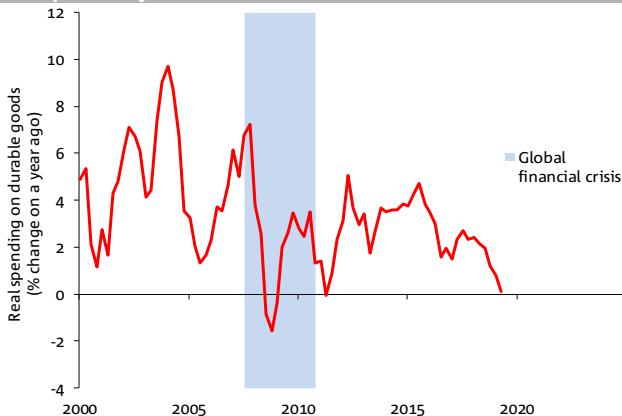
In judging the risks around the economic outlook, there is considerable uncertainty around the outlook for consumer spending, which accounts for more than half of GDP and has driven the trend in overall growth over recent years. Growth in spending has been sluggish, with spending on retail trade and motor vehicles stalling over the past year. The weakness in spending mainly reflects weak incomes, where income per household has been broadly unchanged in real terms since 2014. Falling household wealth has also played a role with both short- and long-term effects on spending.

**Chart 1: Consumer spending has driven the broader economy over recent years**



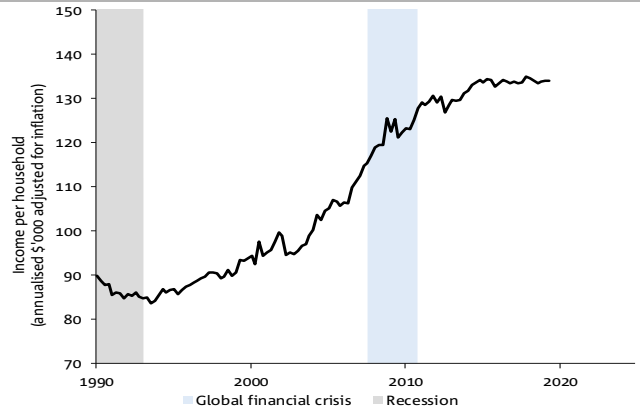
Source: Australian Bureau of Statistics, National Australia Bank

**Chart 2: Consumer spending on durable goods has been exceptionally weak**



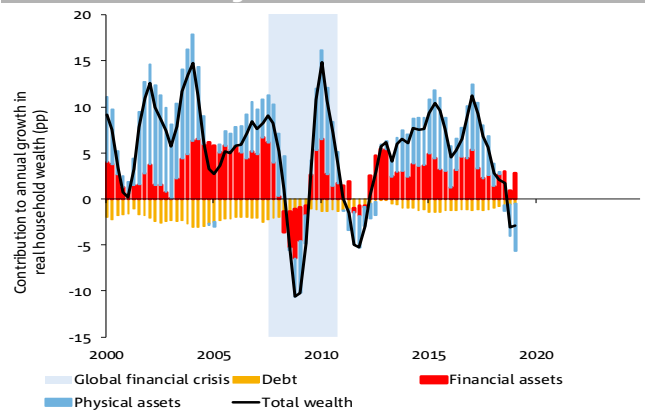
Note: Durable goods = retail trade + motor vehicles. Motor vehicles were estimated by NAB in Q3 2019.  
Source: Australian Bureau of Statistics, National Australia Bank

**Chart 3: Weak consumer spending reflects stagnant real income ...**



Source: Australian Bureau of Statistics, Melbourne Institute, National Australia Bank

**Chart 4: ... and falling household wealth**

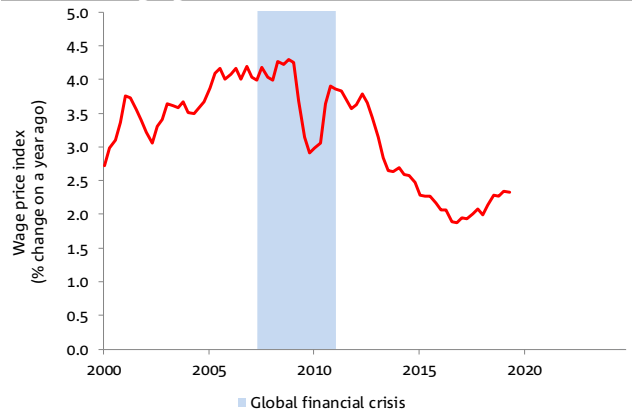


Note: Physical assets = housing stock + stock of consumer durables.  
Source: Australian Bureau of Statistics, Melbourne Institute, National Australia Bank

### The medium-term outlook for household income is challenged by sluggish wages growth

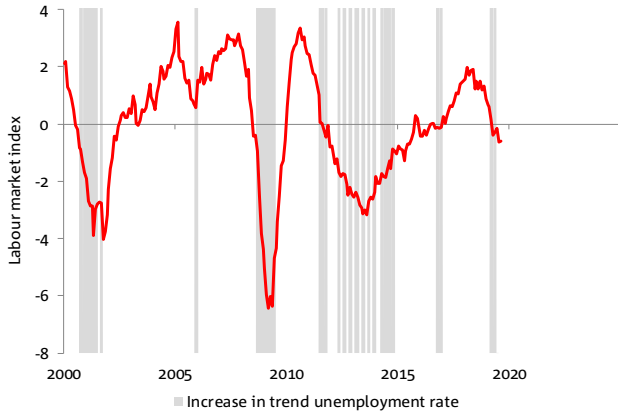
In terms of the uncertainty around consumer spending, wage growth – which is the largest driver of household income – remains weak, unchanged in the low 2s%. Given our leading indicator of labour demand suggests unemployment is likely to edge higher, it seems likely that wages growth will stay low. As such, a sustained recovery in incomes still seems some time off.

**Chart 5: Wage growth remains slow**



Source: Australian Bureau of Statistics, National Australia Bank

**Chart 6: Leading indicators suggest unemployment is likely to edge higher**



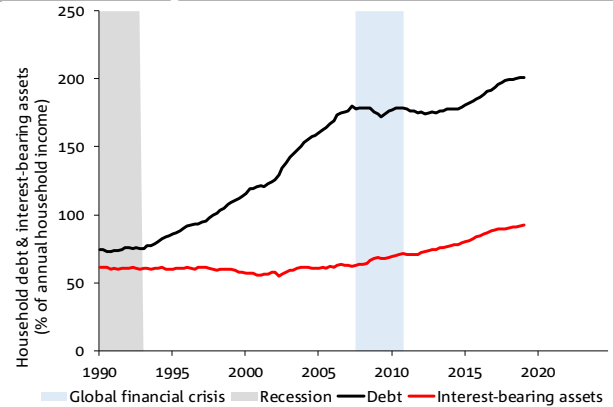
Note: The labour market index is the first principal component of measures of hiring, job vacancies and expected unemployment. The change in the trend unemployment rate was calculated using the unemployment rate rounded to one decimal place.  
Source: ANZ Bank, Australian Bureau of Statistics, Melbourne Institute, Seek, Westpac, National Australia Bank

**Tax cuts and rate cuts should boost household income and real wealth should fall at a slower rate as house prices stabilise**

There have been three positive developments that support household spending at the margin.

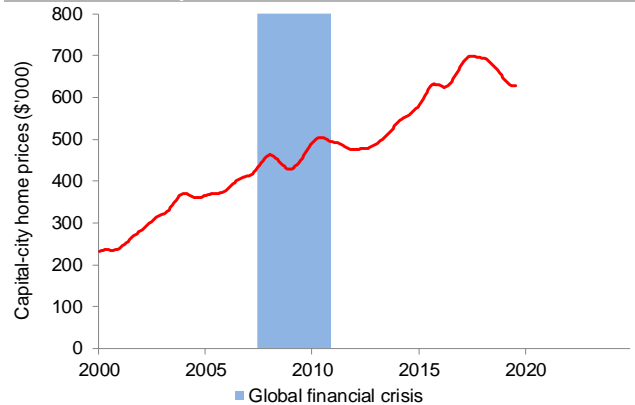
- **Lower interest rates.** The Reserve Bank has cut the cash rate twice, which should boost household cash flows given household debt greatly exceeds holdings of interest-bearing assets (debt and holdings of interest-bearing assets are currently 201% and 93% of annual household income, respectively). Also spending by debtors is more sensitive to lower interest rates than spending by savers because borrowers are more likely to be cash-constrained.
- **Personal income tax cuts.** The Commonwealth’s tax cuts commenced in July and are worth \$7b in 2019-20, or 0.3% of GDP. The net boost to GDP is smaller than 0.3% given some households will save the tax cut, while the impact is diluted by spending on imports. July retail sales data are due the day of the 3 September Board meeting, but seems likely to disappoint given NABs’ measure of sales was little changed in the month.
- **House prices have stabilised.** Household wealth should fall at a slower rate in real terms given house prices have stabilised over recent months, with housing accounting for the bulk of wealth. Capital-city prices are down about 10% from their all-time high, but started to fall at a slower rate earlier this year and have been broadly unchanged from June through to August to date.

**Chart 7: Lower interest rates boost incomes given household debt is more than double the holdings of interest-bearing assets**



Note: Interest-bearing assets = at-call deposits + term deposits + fixed-income assets.  
Source: Australian Bureau of Statistics, Melbourne Institute, Reserve Bank of Australia, National Australia Bank

**Chart 8: House prices have stabilised since June**

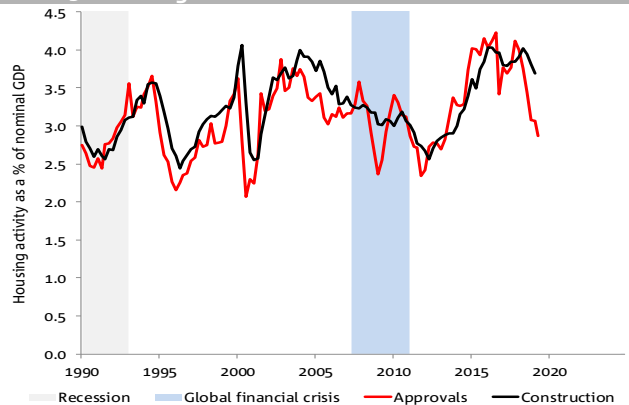


Note: Monthly prices were seasonally adjusted by NAB. The estimate for August 2019 is based on daily data for the month to date.  
Source: Australian Bureau of Statistics, CoreLogic, National Australia Bank

**Notwithstanding the stabilisation of house prices, housing construction remains a drag on growth**

While the stabilisation in house prices is welcome news, the construction of new homes will remain a drag on growth until late 2020. This is because lower building approvals still point to a substantial decline in construction as the record backlog of mainly high-rise apartments is exhausted.

**Chart 9: Housing construction still has further to fall**



Source: Australian Bureau of Statistics, Melbourne Institute, National Australia Bank

**Global risks have intensified as the trade war between the US and China has escalated**

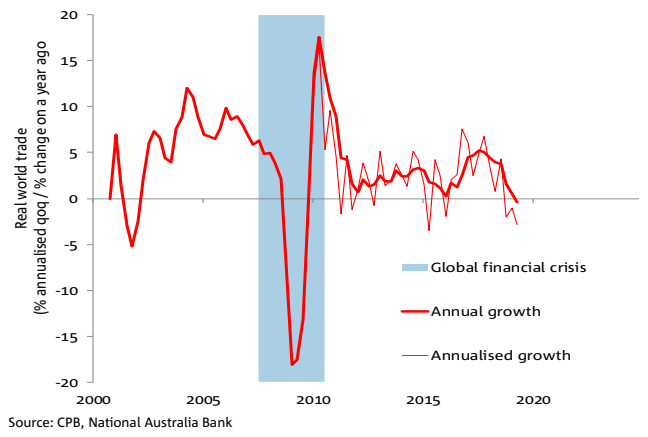
While the risks around the domestic outlook have been tempered by the combination of lower interest rates, tax cuts and the stabilisation of house prices, global risks have intensified.

The global risks mainly reflect the escalation of the trade conflict between the US and China, although there is also uncertainty surrounding the impact of Brexit on the UK and Europe.

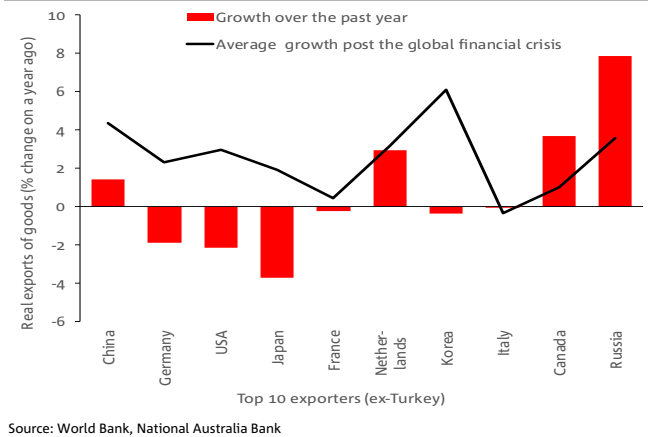
The impact of the trade war has been the largest shock to the world economy since the global financial crisis.

- **World trade is contracting.** There has been a sharp fall in world trade, which has contracted by 1.5% in real terms since Q4 last year. This is the largest fall since the steep declines seen during global financial crisis and has been widely felt across the largest exporting nations. Exports of goods have contracted over the past year in real terms in Germany, Japan, and the US, and are growing at a much slower rate in China.

**Chart 20: World trade is falling at a rapid rate ...**

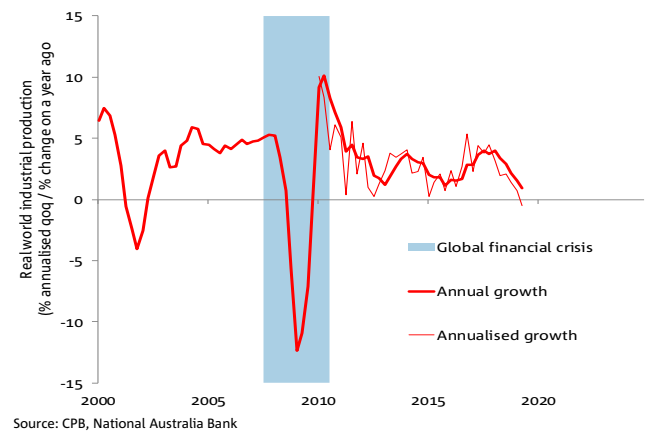


**Chart 31: ... with weakness across the largest exporting nations**



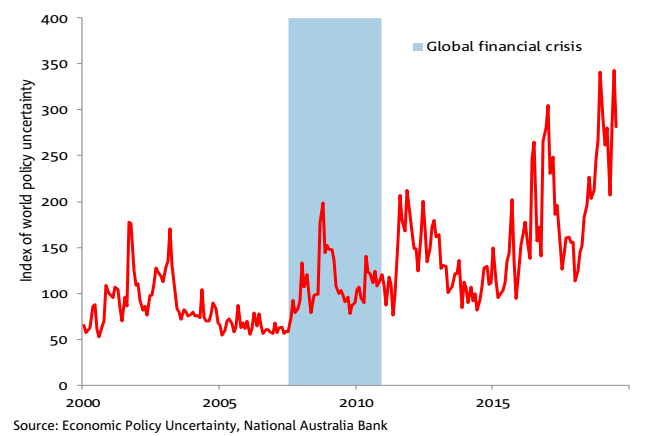
- **World industrial production is also contracting.** Real industrial production has fallen for the first time since the global financial crisis, down 0.1% in Q2 after little change since late last year. Production has fallen in the advanced economies since the start of this year, while production in the emerging economies stalled in Q2.

**Chart 42: World industrial production has fallen for the first time since the global financial crisis**

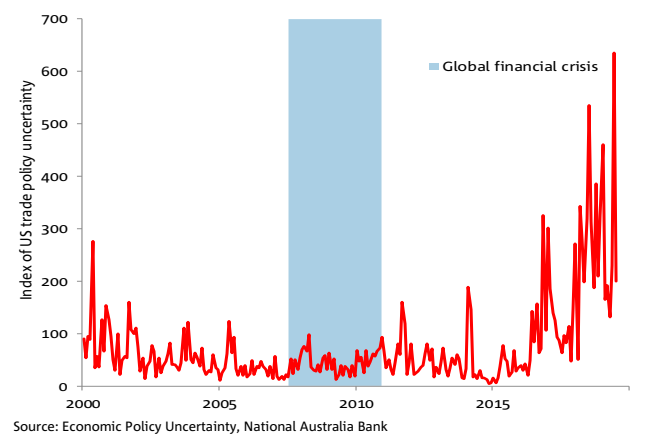


- **Global uncertainty has surged.** The world economic policy uncertainty index has been at its highest level since the start of the series in the late 1990s. The increase in policy uncertainty revolves around trade policy, with the US-specific measure of trade policy uncertainty at its highest point since the early 1990s.

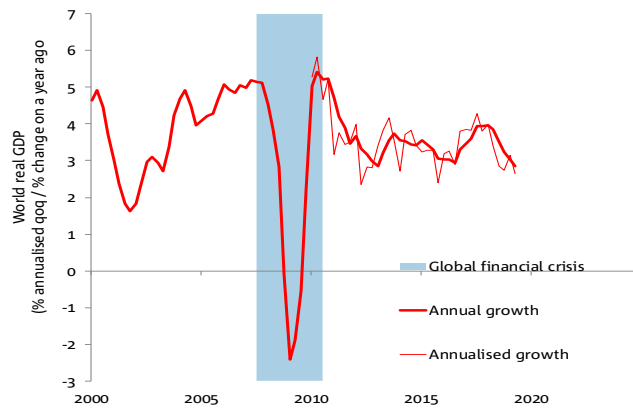
**Chart 53: Global policy uncertainty is at its highest level in decades ...**



**Chart 64: ... reflecting extreme uncertainty around US trade policy**



**Chart 15: World growth has slowed as trade has contracted**



Note: PPP-weighted by NAB.  
Source: International Monetary Fund, World Bank, National Australia Bank

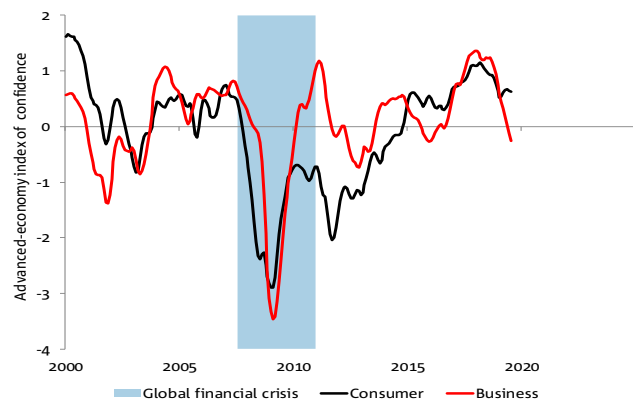
**Lower business confidence could see firms defer investment and hiring**

The decline in world trade is already a drag on world growth and the combination of lower exports and the extreme level of uncertainty has triggered a slump in business confidence in the advanced economies. Confidence had reached the highest level since at least the 1990s, but has rapidly turned negative and in July was at its lowest point since 2015.

This contrasts with consumer confidence, which, while off its recent peak, is still holding up given already-low unemployment is still drifting lower in the advanced economies.

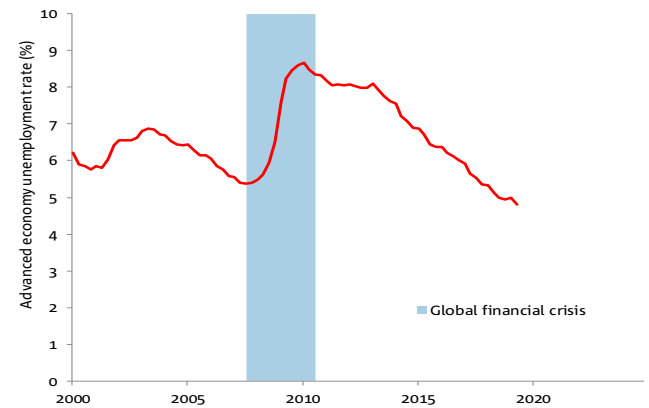
The risk is that sharply lower business confidence leads firms to put investment plans on hold, which would be a further drag on world growth. This impact would be magnified if firms also deferred hiring plans given consumer spending has been holding up to date, in line with strengthening labour markets.

**Chart 16: Advanced economy business confidence has slumped, while consumer confidence has held up**



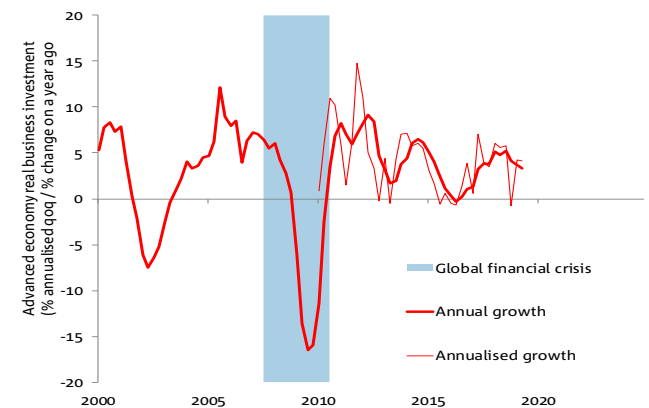
Note: PPP-weighted by NAB.  
Source: International Monetary Fund, Organisation for Economic Co-operation and Development, National Australia Bank

**Chart 17: Advanced economy unemployment is still drifting lower**



Note: PPP-weighted by NAB.  
Source: Bloomberg, International Monetary Fund, Macrobond, National Australia Bank

**Chart 18: Lower business confidence could see companies defer investment plans**

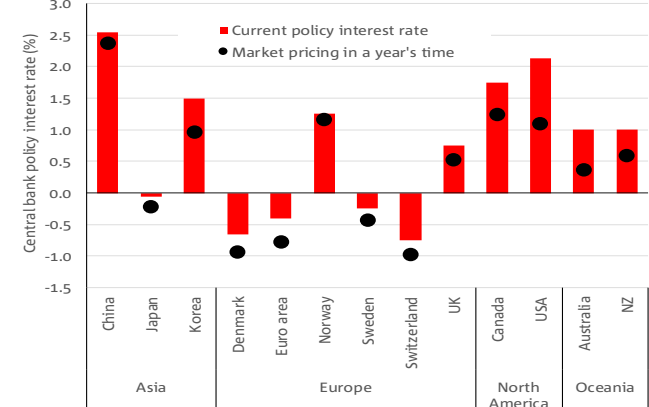


Note: PPP-weighted by NAB.  
Source: Bloomberg, various national statistical agencies, National Australia Bank

**Global risks reinforce our view that the economy needs further policy support**

Some central banks have lowered interest rates recently, but the market is now pricing in rate cuts from nearly every central bank given the increased downside risks to the world economy. Rates are priced to be even more negative in those countries already with negative rates.

**Chart 19: The market is pricing in rate cuts from nearly every central bank**



Source: Bloomberg, National Australia Bank

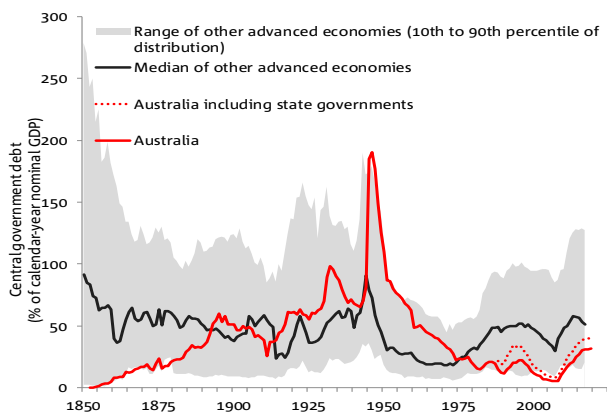
NAB’s view on Australia has been that further policy support is warranted on domestic grounds given that we think the economy will take longer to recover than anticipated by the Reserve Bank and that the unemployment rate is more likely to drift higher than fall further. Accordingly, our central case is that that the Reserve Bank will cut the cash rate again to 0.75 % by November and that the Commonwealth will announce additional fiscal stimulus later this year. If low interest rates and additional fiscal stimulus prove either ineffective or insufficient, then unconventional policy is possible next year, although this would likely be after further interest rate cuts took the cash rate closer to 0.5%

The increased downside risk to the global economy reinforces our view on the need for further policy support, particularly with the dramatic escalation in the stand-off at the end of last week and over the weekend, capped off by President Trump tweeting an order to US business to “immediately start looking for an alternative to China”.

In this respect, the Reserve Bank could end up shouldering more of the burden than we anticipate given the Commonwealth is still reluctant to abandon the politically symbolic objective of returning the budget to surplus.

Ultimately, though, the Commonwealth has significant scope to support the economy given the level of public debt is low both by past and international standards, even when adding state debt to the calculation.

**Chart 20: The Commonwealth has significant capacity to use fiscal policy to support the economy**



Source: Australian Bureau of Statistics, Reinhart and Rogoff, Reserve Bank of Australia, various national statistical agencies, National Australia Bank

Kieran Davies

# CALENDAR OF ECONOMIC RELEASES

Country	Economic Indicator	Period	Forecast	Consensus	Actual	Previous	GMT	AEST
<b>Monday, 26 August 2019</b>								
<b>G7 leaders meet in Biarritz, France, 24 - 26 August</b>								
NZ	Trade Balance NZD	Jul	-254	-550		365	22.45	8.45
GE	IFO Business Climate	Aug		96		95.7	8.00	18.00
US	Durable Goods Orders	Jul P		1.1		1.9	12.30	22.30
<b>Tuesday, 27 August 2019</b>								
AU	RBA Debelle delivers speech 'A Balance of Payments' in Canberra						2.00	12.00
GE	Retail Sales MoM	Jul		--		3.5	27 Aug to 3 Sep	
GE	Retail Sales NSA YoY	Jul		--		-1.6	27 Aug to 3 Sep	
GE	GDP SA QoQ	2Q F		-0.1		-0.1	6.00	16.00
GE	GDP WDA YoY	2Q F		--		0.4	6.00	16.00
UK	ECB's De Guindos, BOE's Tenreiro speak on Monetary Policy						12.00	22.00
US	Conf. Board Consumer Confidence	Aug		130		135.7	14.00	0.00
<b>Wednesday, 28 August 2019</b>								
AU	Construction Work Done	2Q		--		-1.9	1.30	11.30
EC	M3 Money Supply YoY	Jul		--		4.5	8.00	18.00
US	Fed's Barkin speaks at West Virginia Chamber of Commerce						16.20	2.20
<b>Thursday, 29 August 2019</b>								
US	Fed's Daly speaks at RBNZ/IMF conference in New Zealand						21.30	7.30
NZ	ANZ Business Confidence	Aug		--		-44.3	1.00	11.00
AU	Private Capital Expenditure	2Q		--		-1.7	1.30	11.30
GE	Unemployment Change (000's)	Aug		--		1	7.55	17.55
GE	Unemployment Claims Rate SA	Aug		--		5	7.55	17.55
GE	CPI MoM	Aug P		--		0.5	12.00	22.00
GE	CPI YoY	Aug P		--		1.7	12.00	22.00
US	Wholesale Inventories MoM	Jul P		--		0	12.30	22.30
US	GDP Annualized QoQ	2Q S		2		2.1	12.30	22.30
US	GDP Price Index	2Q S		2.4		2.4	12.30	22.30
US	Core PCE QoQ	2Q S		--		1.8	12.30	22.30
CA	Current Account Balance	2Q		--		-17.35	12.30	22.30
<b>Friday, 30 August 2019</b>								
NZ	ANZ Consumer Confidence Index	Aug		--		116.4	22.00	8.00
NZ	Building Permits MoM	Jul		--		-3.9	22.45	8.45
JN	Jobless Rate	Jul		2.3		2.3	23.30	9.30
JN	Tokyo CPI YoY	Aug		0.6		0.9	23.30	9.30
JN	Industrial Production MoM	Jul P		0.4		-3.3	23.50	9.50
AU	Building Approvals MoM	Jul		--		-1.2	1.30	11.30
AU	Building Approvals YoY	Jul		--		-25.6	1.30	11.30
AU	Private Sector Credit MoM	Jul		--		0.1	1.30	11.30
EC	Unemployment Rate	Jul		7.5		7.5	9.00	19.00
EC	CPI Estimate YoY	Aug		1.1		1.1	9.00	19.00
EC	CPI Core YoY	Aug A		1		0.9	9.00	19.00
US	PCE Core Deflator MoM	Jul		0.2		0.2	12.30	22.30
US	PCE Core Deflator YoY	Jul		1.6		1.6	12.30	22.30
CA	GDP MoM	Jun		0.1		0.2	12.30	22.30
CA	GDP YoY	Jun		--		1.4	12.30	22.30
US	U. of Mich. Sentiment	Aug F		92.4		92.1	14.00	0.00
<b>Upcoming Central Bank Interest Rate Announcements</b>								
Australia, RBA		Sep 3	1.00	1.00		1.00		
Europe, ECB		Sep 12	-0.5	-0.5		-0.40		
US, Federal Reserve		Sep 18	1.75/2	1.75/2		2/2.25		
Japan, BoJ		Sep 19	-0.10	-0.10		-0.10		
UK, BOE		Sep 19	0.75	0.75		0.75		
New Zealand, RBNZ		Sep 25	1.00	1.00		1.00		

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

# FORECASTS

Economic Forecasts																				
	Annual % change				Quarterly % change															
	2018	2019	2020	2021	2018				2019				2020				2021			
Australia Forecasts	2018	2019	2020	2021	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Household Consumption	2.6	1.5	2.0	2.4	0.4	0.8	0.3	0.4	0.3	0.3	0.4	0.6	0.4	0.5	0.7	0.5	0.6	0.6	0.6	0.6
Underlying Business Investment	0.9	0.3	3.0	2.0	0.6	-1.0	-2.1	0.0	0.6	0.1	0.4	1.2	0.6	0.6	0.9	0.4	0.6	0.4	0.2	0.5
Residential Construction	4.7	-8.2	-8.1	-1.4	4.1	1.7	0.7	-2.9	-2.5	-3.3	-3.0	-2.2	-2.0	-1.7	-1.8	-0.8	-0.2	0.5	0.2	0.8
Underlying Public Spending	5.0	5.4	4.5	4.1	1.4	0.4	2.5	1.6	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.0	1.0
Net Exports (a)	0.7	0.8	-0.1	-0.2	0.5	0.2	0.3	-0.2	0.2	0.5	0.2	0.2	0.1	0.0	-0.1	0.0	-0.1	0.0	-0.1	0.0
Inventories (a)	0.1	-0.2	-0.1	0.0	-0.1	0.2	-0.3	0.2	-0.1	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Domestic Demand (q/q %)	--	--	--	--	0.9	0.6	0.5	0.4	0.1	0.2	0.4	0.6	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7
Dom Demand (y/y %)	2.9	1.4	2.1	2.6	3.4	3.2	2.8	2.4	1.6	1.2	1.2	1.4	1.8	2.0	2.3	2.3	2.5	2.6	2.6	2.8
Real GDP (q/q %)	--	--	--	--	1.0	0.9	0.3	0.2	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.7
Real GDP (y/y %)	2.8	1.6	2.2	2.3	3.1	3.1	2.8	2.4	1.8	1.5	1.7	2.0	2.1	2.3	2.4	2.2	2.3	2.3	2.3	2.5
CPI headline (q/q %)	--	--	--	--	0.4	0.4	0.4	0.5	0.0	0.6	0.4	0.6	0.4	0.4	0.5	0.7	0.5	0.5	0.6	0.7
CPI headline (y/y %)	1.9	1.5	1.8	2.2	1.9	2.1	1.9	1.8	1.3	1.6	1.6	1.6	2.0	1.7	1.8	1.9	2.0	2.2	2.3	2.3
CPI underlying (q/q %)	--	--	--	--	0.5	0.5	0.3	0.4	0.2	0.4	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5
CPI underlying (y/y %)	1.8	1.4	1.5	1.9	1.9	1.7	1.7	1.7	1.4	1.4	1.3	1.3	1.5	1.5	1.5	1.6	1.8	1.9	2.0	2.0
Private wages (q/q %)	--	--	--	--	0.5	0.6	0.6	0.5	0.5	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Private wages (y/y %)	2.1	2.3	2.5	2.8	1.9	2.1	2.2	2.3	2.4	2.3	2.3	2.4	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.8
Unemployment Rate (%)	5.3	5.2	5.4	5.5	5.5	5.5	5.1	5.0	5.1	5.2	5.2	5.3	5.3	5.3	5.4	5.5	5.5	5.5	5.5	5.5
Terms of trade	1.8	4.1	-7.6	1.8	3.2	-1.2	1.1	2.9	3.1	2.7	-4.4	-4.7	-2.6	-0.6	0.9	-0.2	1.2	0.6	-0.1	-0.1
Current Account (% GDP)	-2.0	-0.6	-2.1	-1.9	-2.2	-2.5	-2.1	-1.3	-0.6	0.2	-0.6	-1.5	-2.0	-2.2	-2.1	-2.1	-1.9	-1.8	-1.9	-2.0

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

Exchange Rate Forecasts						
	26-Aug	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
<b>Majors</b>						
AUD/USD	0.672	0.67	0.65	0.66	0.67	0.69
NZD/USD	0.64	0.64	0.62	0.62	0.63	0.65
USD/JPY	105.1	105	104	104	105	106
EUR/USD	1.11	1.10	1.12	1.11	1.13	1.14
GBP/USD	1.23	1.17	1.20	1.18	1.20	1.22
USD/CNY	7.10	7.25	7.40	7.40	7.30	7.20
USD/CAD	1.33	1.33	1.36	1.38	1.38	1.36
USD/CHF	0.97	0.96	0.97	0.95	0.96	0.96

Australian Cross Rates						
AUD/NZD	1.05	1.05	1.05	1.06	1.06	1.06
AUD/JPY	70.7	70	68	69	70	73
AUD/EUR	0.60	0.61	0.58	0.59	0.59	0.61
AUD/GBP	0.55	0.57	0.54	0.56	0.56	0.57
AUD/CNY	4.77	4.86	4.81	4.88	4.89	4.97
AUD/CAD	0.89	0.89	0.88	0.91	0.92	0.94
AUD/CHF	0.66	0.64	0.63	0.63	0.64	0.66

Interest Rate Forecasts						
	26-Aug	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
<b>Australian Rates</b>						
RBA cash rate	1.00	1.00	0.75	0.75	0.75	0.75
3 month bill rate	0.99	1.10	0.85	0.85	0.85	0.85
3 Year Swap Rate	0.69	0.72	0.75	0.80	0.90	0.95
10 Year Swap Rate	1.06	1.05	1.05	1.05	1.20	1.35
<b>Offshore Policy Rates</b>						
US Fed funds	2.25	2.00	1.75	1.75	1.75	1.75
ECB deposit rate	-0.40	-0.60	-0.60	-0.60	-0.60	-0.60
BoE repo rate	0.75	0.75	0.75	0.75	0.75	0.75
BoJ excess reserves rate	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10
RBNZ OCR	1.00	1.00	0.75	0.75	0.75	0.75
China 1yr lending rate	4.35	4.10	4.10	4.10	4.10	4.10
China Reserve Ratio	13.5	13.00	12.50	12.00	12.00	12.00
<b>10-year Bond Yields</b>						
Australia	0.88	0.90	0.90	0.90	1.00	1.10
United States	1.48	1.50	1.50	1.50	1.60	1.70
New Zealand	1.04	1.00	0.95	0.95	1.05	1.10

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP				
	2018	2019	2020	2021
Australia	2.8	1.6	2.2	2.3
United States	2.9	2.2	1.7	1.8
Eurozone	1.9	1.1	1.2	1.4
United Kingdom	1.4	1.2	1.2	1.5
Japan	0.8	1.2	0.3	0.9
China	6.6	6.3	6.0	5.8
India	6.8	6.3	7.0	7.1
New Zealand	2.9	2.4	2.6	2.5
World	3.6	3.1	3.3	3.5

Commodity prices (\$US)					
	26-Aug	Sep-19	Dec-19	Mar-20	Jun-20
Brent oil	58.5	68	70	70	75
Gold	1545	1456	1450	1483	1518
Iron ore	87	79	76	72	68
Hard coking coal*	154	178	170	165	160
Thermal coal	62	85	90	93	90
Copper	5613	6400	6300	6225	6150
Aus LNG**	9	12	12	12	12

\* FOB quarterly contract prices (thermal coal is JFY contract)

\*\* Implied Australian LNG export prices



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