

# AUSTRALIAN MARKETS WEEKLY

*Which states are performing best? And why?*

## In this issue

The week ahead	1
Analysis	2
Conclusion	4
Calendar of economic releases	6
Forecasts	7

## Analysis: Which states are performing best? And why?

- The coronavirus has had very large and significantly varying impacts on different businesses and different sectors of the economy with most, but not all, businesses and sectors significantly negatively affected. We'll look at the sectoral impacts in more detail in coming weeks, but this week we thought we would look at how the various Australian states were performing as there are some relative winners and losers emerging, though of course overall there has been a significant net negative impact reflected in sharply higher unemployment across the nation.
- At this stage, it looks like Victoria and the ACT are underperforming, while at the other end of the scale, WA and the NT so far appear to be recovering best.
- Our analysis suggests the tiering of the states reflects a combination of the impacts of: (i) (most importantly) spread/control of the virus (Victoria the worst and the smaller states the best); (ii) reductions in international mobility/the impacts of international border closures (impacting on immigration, international tourism and international students) – NSW and Victoria are relatively the most impacted, along with Canberra/the ACT; (iii) reductions in domestic mobility/working from home – this impacts CBDs and businesses providing services to CBDs, though some offset is likely through activity picking up in suburban areas. The outperformance of WA and the Northern Territory may also reflect their relatively large exposure to mining and farming, two sectors that relatively have not been hit as hard.

## The week ahead

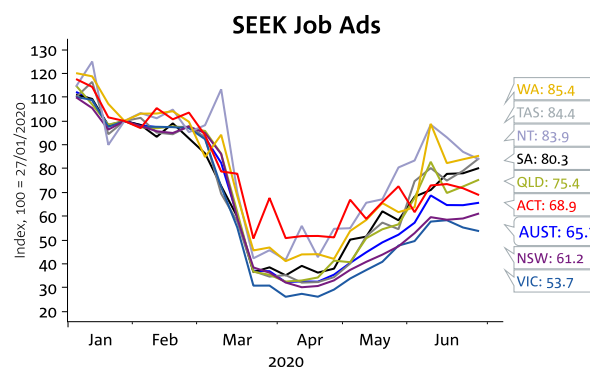
- Australia:** Q2 CPI is on Wednesday and NAB sees Headline CPI falling a sharp 2.0% q/q to -0.4% y/y, consensus also -2.0% q/q, with the fall due to pandemic-related government subsidies, rate/price freezes and a sharp fall in petrol prices. The RBA's preferred underlying Trimmed Mean measure will also be very soft at 0.0% q/q and 1.3% y/y (consensus a touch stronger at 0.1% q/q). Payrolls on Tuesday is likely to garner more focus than usual given today's COVID-19 Household Survey showed a sharp 1% decline in employment. There is also a plethora of other data including Consumer Confidence on Tuesday, Building Approvals on Thursday along with the COVID-19 Business Survey, and finally Credit on Friday.

## Key markets over the past week

	Last	% chg week		Last	bp/% chg week
AUD	0.7134	1.8	RBA cash	0.13	0
AUD/CNY	4.99	2.1	3y swap	0.22	1
AUD/JPY	75.3	0.2	ASX 200	6,034	0.6
AUD/EUR	0.609	-0.5	Iron ore	105	-1.3
AUD/NZD	1.069	0.2	Brent oil	43.4	0.2

Source: Bloomberg

## Chart of the week: Seek Job Ads by State



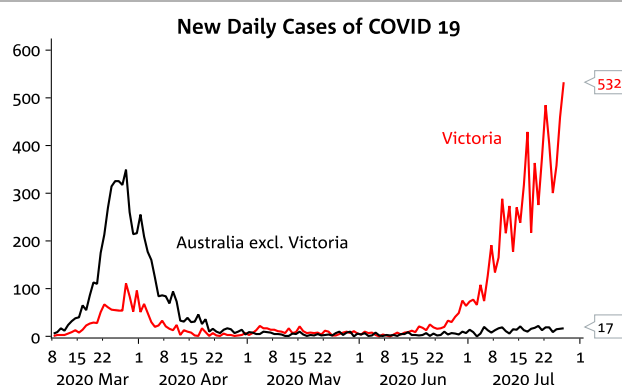
- International:** CH: Official PMIs are on Friday and will be closely watched for whether the tentative strength seen in the non-manufacturing PMI last month continues. US: All focus on a follow up fiscal package. Datawise it is a huge week with the FOMC on Wednesday, Q2 GDP on Thursday and key earnings reports (Facebook on Wednesday, Alphabet, Amazon and Apple all Thursday). Jobless claims will also be watched closely given last week's worrying rise. EZ: German IFO later today and then Q2 GDP figures on Friday along with a flash Core CPI for July. UK: a quiet week data wise. For full details please see our What to Watch publication.

## Analysis

The root cause of the economic shock Australia (and the world) is facing is from the pandemic and associated consumer and business behaviour and government-mandated shutdowns. It's not surprising then that the primary cause of the tiering of state economic performance is associated with the direct spread and control of the virus (lockdowns, border closures and other mobility restrictions) – and the associated flow-on impacts to various sectors of the economy.

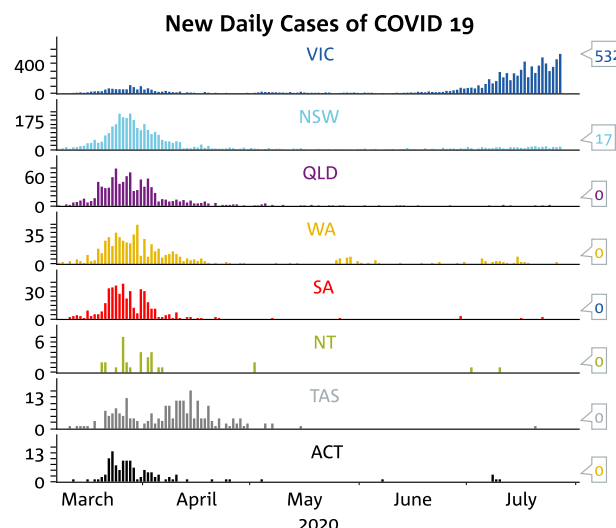
Charts 1 and 2 show that most states and territories were relatively similarly impacted by the first wave of virus spread (with the Northern Territory and the ACT seeing slightly lower relative impacts). The second phase of virus spread in Australia has very much been concentrated in Victoria, Australia's second-largest state which accounts for around one quarter of national output. There are also a small number of new cases being recorded each day in NSW, but importantly, the NSW Government's tracking and tracing system appears to be working well, with very few cases of unknown origin (community spread). A significant rise in numbers of unknown origin is understood to be the critical determinant as to whether NSW enters renewed lockdown. Encouragingly, the Victorian Chief Medical Officer noted that their modelling suggested that today was expected to be the peak in new cases in Victoria.

Chart 1: Recent spread in virus concentrated in Victoria



Source: National Australia Bank, government sources gathered by covid19data.com

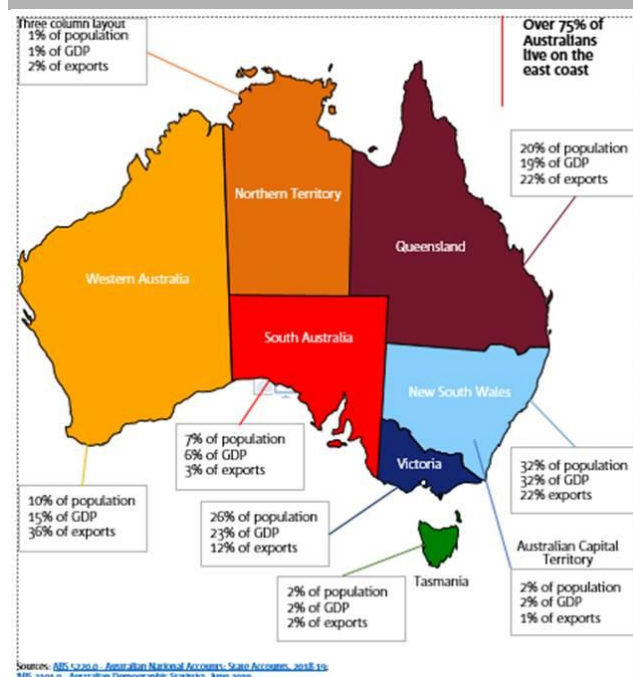
Chart 2: Most states excluding Victoria mostly virus free



Source: National Australia Bank, government sources gathered by covid19data.com

The very low rates of spread in states and territories outside of Victoria, have meant that while Melbourne and the Mitchell Shire have entered renewed lockdown for 6 weeks (impacting around 20% of Australia's population), much of the rest of Australia has continued to reopen/relax restrictions, though there has been some delay to planned re-openings of borders with Victoria by many states, while NSW has now closed its border to Victoria.

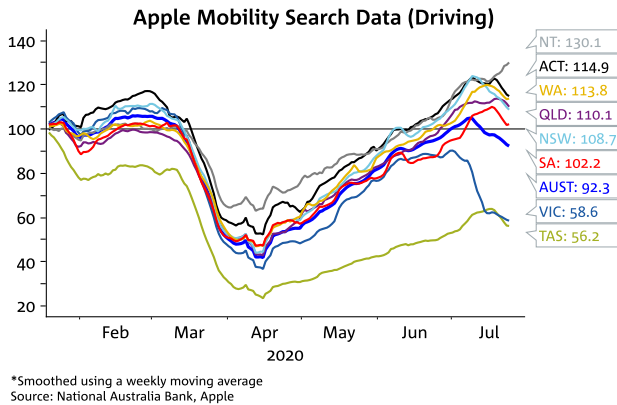
Chart 3: Victoria 23% of GDP, 26% of population



High-frequency data provide some guide to the net impact of the renewed Victorian lockdown, weighed against the continued reopening of other states.

Mobility data show that driving searches have fallen away sharply in Victoria (as is to be expected with renewed lockdown), with searches in NSW and many other states also easing.

Chart 4: Victoria down, but many other states also ease

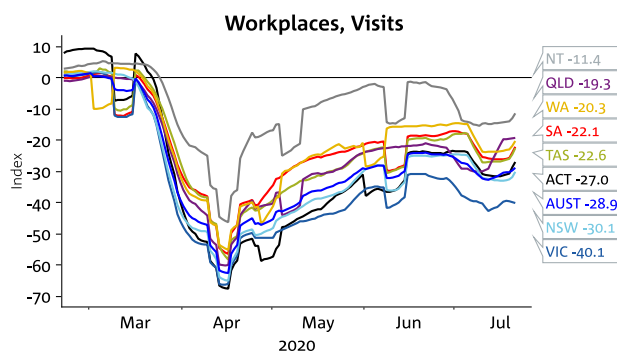


This may reflect spillover effects from Victoria (especially to NSW) but also likely reflects the end of school holidays in many states and some easing back in travel after an initial surge as states first came out of lockdowns. It's important to note that these data are not seasonally adjusted and so won't capture school holiday effects and other seasonal impacts such as the peak of winter in Australia.

The data however show that the drag from Victoria's renewed virus spread and associated lockdown has been big enough to drag somewhat on the national economy's recovery, given Victoria's large weight in the national aggregate. However, the improvements in other states provide an important counterbalance that was not present in the previous lockdown cycle.

Google tracking of the number of visits to work locations and retail and recreational establishments, presents a similar picture. Working from home is most prevalent in the large CBD cities of Sydney and Melbourne, though in smaller states with limited virus spread more people have returned to offices, though the levels still seem mostly around 20-25% below pre-virus levels. In the big cities it's more like -40-50%.

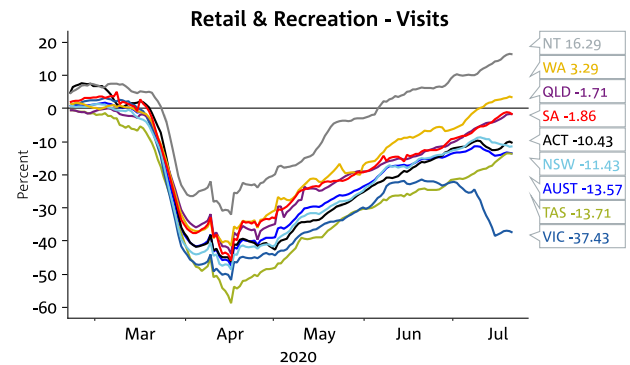
Chart 5: Victoria and NSW working from home most



On the retail and recreational visitation front, the renewed Victorian lockdown is again taking its toll on retail establishments and accounts for much of the national outcome, though NSW is also relatively subdued, probably reflecting reduced CBD occupancy. Smaller states with little spread of the virus have seen

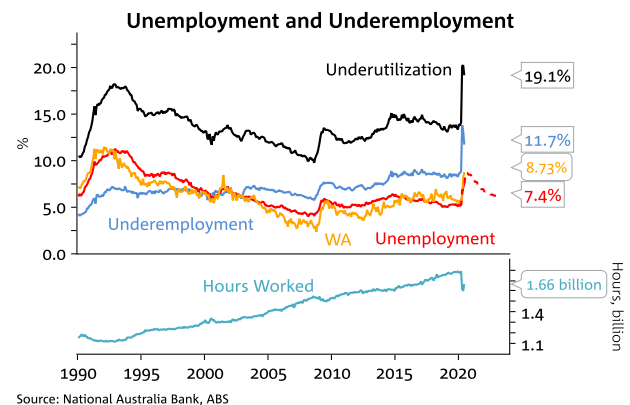
good recoveries of retail visitation, with the NT and WA above pre-virus levels.

Chart 6: Victorian retail visitation again hard hit



Labour market indicators have always been a personal favourite indicator of overall economic performance as they effectively aggregate all the competing forces/shocks impacting on the economy. While traditionally labour market indicators have lagged the economic cycle, this shock is more contemporaneous given the speed of the shock and government mandated restrictions. The official labour market data show the very significant impact on hours worked (-10% between March and May before a recovery of 4% in June) and the sharp rise in unemployment and underemployment (the unemployment rate supported at a lower level than otherwise would be the case by the government's JobKeeper scheme).

Chart 7: Labour indicators provide good guide to shock

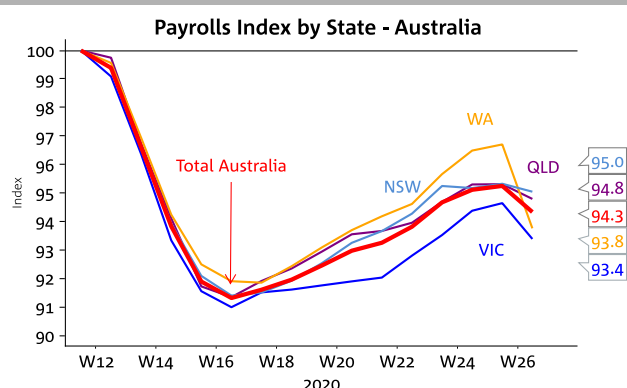


Today's ABS household survey suggests employment may have declined in July, reversing some of the recovery that occurred in June. Several companies did announce employment losses despite the support provided by JobKeeper, though it's possible that some of this reading also reflected school holiday effects, given these high-frequency data are not seasonally adjusted.

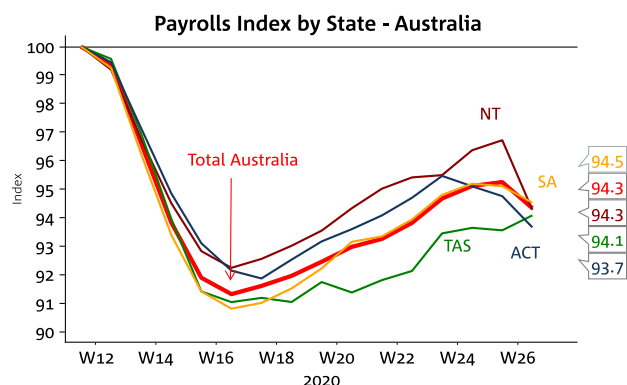
The ABS and SEEK have provided us with some higher-frequency data on the labour market to monitor the impact of the shock on the economy closer to real time. Looking at the charts below, we can see that the new ABS fortnightly payrolls data suggest:

- There wasn't much difference between the state economies in the first phase of virus spread and lockdowns (WA, the ACT and NT slightly outperformed);
- Before the latest fortnight's data, that WA and the NT were relatively clearly outperforming – the other data presented in this article suggest the latest payroll data print for these two areas may be somewhat rogue. We'll watch tomorrow's payrolls update with interest in this regard;
- Victoria and the ACT are underperforming – Victoria most clearly – and of course this data preceded the most recent lockdown – as largely will this week's update;
- NSW and QLD were doing a little better than the national average.

Chart 8: Victoria, ACT underperforming; WA, NT better?



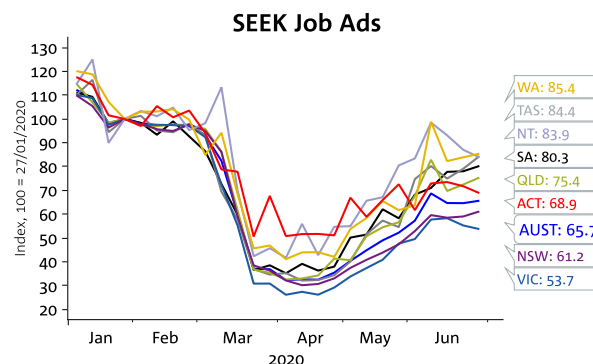
Source: National Australia Bank, ABS



Source: National Australia Bank, ABS

SEEK's fortnightly job ads data for the most part reinforce the messages of the above indicators, showing that labour demand is weakest in Victoria and the ACT, but also is subdued in NSW, which is a little different to the payrolls figures. The smaller states, particularly WA and the NT are outperforming and along with Tasmania, the level of job advertising is only around 15% below pre-covid levels, which is somewhat surprising. SA and QLD are reporting demand for labour 20 and 25% below pre-virus levels, though NSW and Victoria are still 40-45% below pre-virus levels and these data again are before the recent lockdown in Victoria.

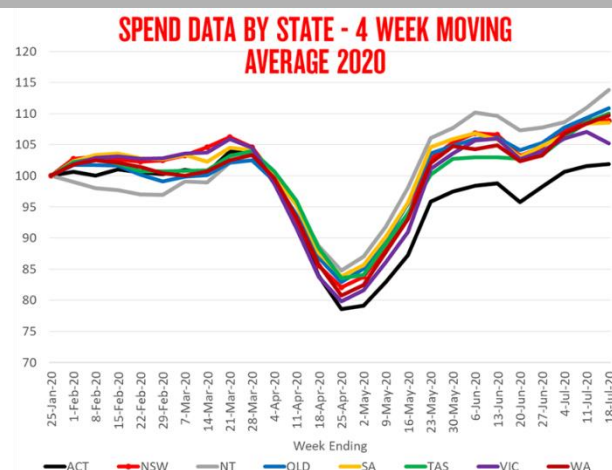
Chart 9: Big states, very weak; smaller not too bad?



Source: National Australia Bank, SEEK

NAB customers' credit and debit card spending data also support the above observations, showing Victoria and the ACT as the weakest performing regions of the country, with the Northern Territory outperforming and not much difference between the other states. It's worth pointing out that overall spending is above pre-covid levels likely reflecting a combination of a switch from using cash to cards; some pent-up demand after the April/early May lockdown; and the significant level of government support payments at the present time.

Chart 10: Vic and ACT weakest, NT outperforming



## Conclusion

A range of data suggest underperformance of Victoria and the ACT and outperformance by the NT and WA, with other smaller states where there is very little spread in the virus also showing better recoveries to date. The messages are somewhat obvious – the states with close to zero cases/least spread can reopen quickest and have their economies least affected by the pandemic in the short term. The renewed spread in Victoria and associated lockdown is producing a re-run of previous events, though not quite as large, given the whole state is not in stage III lockdown.

It will of course be interesting to see the level of activity that the state economies with little spread return to after most restrictions are lifted – this will be lower than previously given international borders remain closed,

limiting immigration, international tourism and international student flows, though hopefully there can be some progress in reopening some of these flows with appropriate quarantine either late this year or early next year.

Reflecting the complexity of this shock, a variety of domestic substitution spending is also occurring and needs to be considered – people that normally holiday overseas are holidaying within state or spending on renovations or other items. Data for NZ will be interesting to follow in this regard given this economy is effectively virus free and operating without any domestic

restrictions, with only international border and mobility restrictions remaining in place at the current time.

# CALENDAR OF ECONOMIC RELEASES

Country	Economic Confidence	Period	Forecast	Actual	Previous	GMT	AEST	Date
<b>Monday 27 July</b>								
GE	IFO Business Climate	Jul	89.2	--	86.2	7.00	18.00	07/27/2020
US	Durables Ex Transportation	Jun P	3.50%	--	3.70%	11.30	22.30	07/27/2020
US	Cap Goods Orders Nondef Ex Air	Jun P	2.30%	--	1.60%	11.30	22.30	07/27/2020
GE	Retail Sales MoM	Jun	-3.00%	--	13.90%	21.02	08.02	07/27/2020
US	Dallas Fed Manf. Activity	Jul	-4.8	--	-6.1	13.30	00.30	07/28/2020
<b>Tuesday 28 July</b>								
AU	ANZ Roy Morgan Weekly Consumer Confidence Index	Jul-26	--	--	90.7	22.30	09.30	07/28/2020
JN	PPI Services YoY	Jun	0.80%	--	0.80%	22.50	09.50	07/28/2020
AU	Weekly Payroll Jobs and Wages in Australia (for July 11)					0.30	11.30	07/28/2020
UK	CBI Retailing Reported Sales	Jul	-27	--	-37	9.00	20.00	07/28/2020
UK	Nationwide House PX MoM	Jul	--	--	-1.40%	21.04	08.04	07/28/2020
US	Conf. Board Consumer Confidence	Jul	94.8	--	98.1	13.00	00.00	07/29/2020
US	Richmond Fed Manufact. Index	Jul	--	--	0	13.00	00.00	07/29/2020
<b>Wednesday 29 July</b>								
AU	CPI QoQ	2Q	-1.80%	--	0.30%	0.30	11.30	07/29/2020
AU	CPI YoY	2Q	-0.40%	--	2.20%	0.30	11.30	07/29/2020
AU	CPI Trimmed Mean QoQ	2Q	0.20%	--	0.50%	0.30	11.30	07/29/2020
AU	CPI Trimmed Mean YoY	2Q	1.50%	--	1.80%	0.30	11.30	07/29/2020
UK	Mortgage Approvals	Jun	--	--	9.3k	7.30	18.30	07/29/2020
UK	Money Supply M4 MoM	Jun	--	--	2.00%	7.30	18.30	07/29/2020
US	MBA Mortgage Applications	Jul-24	--	--	4.10%	10.00	21.00	07/29/2020
US	Advance Goods Trade Balance	Jun	-\$74.2b	--	-\$74.3b	11.30	22.30	07/29/2020
US	Wholesale Inventories MoM	Jun P	--	--	-1.20%	11.30	22.30	07/29/2020
US	Retail Inventories MoM	Jun	--	--	-6.10%	11.30	22.30	07/29/2020
US	Pending Home Sales MoM	Jun	15.60%	--	44.30%	13.00	00.00	07/30/2020
US	FOMC Rate Decision (Upper Bound)	Jul-29	0.25%	--	0.25%	17.00	04.00	07/30/2020
US	Powell Holds Post-FOMC Meeting Press Conference					17.30	04.30	07/30/2020
<b>Thursday 30 July</b>								
NZ	Building Permits MoM	Jun	--	--	35.60%	21.45	08.45	07/30/2020
JN	Retail Sales MoM	Jun	8.00%	--	2.10%	22.50	09.50	07/30/2020
JN	Japan Buying Foreign Bonds	Jul-24	--	--	¥1065.7b	22.50	09.50	07/30/2020
NZ	ANZ Business Confidence	Jul F	--	--	-29.8	0.00	11.00	07/30/2020
NZ	ANZ Activity Outlook	Jul F	--	--	-6.8	0.00	11.00	07/30/2020
AU	Building Approvals MoM	Jun	-1.30%	--	-16.40%	0.30	11.30	07/30/2020
AU	Private Sector Houses MoM	Jun	--	--	-4.40%	0.30	11.30	07/30/2020
AU	Export Price Index QoQ	2Q	-2.00%	--	2.70%	0.30	11.30	07/30/2020
AU	Import Price Index QoQ	2Q	-3.00%	--	-1.00%	0.30	11.30	07/30/2020
GE	GDP SA QoQ	2Q P	-8.50%	--	-2.20%	5.00	16.00	07/30/2020
GE	Unemployment Change (000's)	Jul	60.0k	--	69.0k	6.55	17.55	07/30/2020
GE	Unemployment Claims Rate SA	Jul	6.50%	--	6.40%	6.55	17.55	07/30/2020
EC	ECB Publishes Economic Bulletin					7.00	18.00	07/30/2020
EC	Economic Confidence	Jul	82	--	75.7	8.00	19.00	07/30/2020
EC	Industrial Confidence	Jul	-18	--	-21.7	8.00	19.00	07/30/2020
EC	Services Confidence	Jul	--	--	-35.6	8.00	19.00	07/30/2020
EC	Consumer Confidence	Jul F	--	--	-15	8.00	19.00	07/30/2020
EC	Unemployment Rate	Jun	7.60%	--	7.40%	8.00	19.00	07/30/2020
GE	CPI EU Harmonized MoM	Jul P	0.00%	--	0.70%	11.00	22.00	07/30/2020
GE	CPI EU Harmonized YoY	Jul P	0.70%	--	0.80%	11.00	22.00	07/30/2020
US	GDP Annualized QoQ	2Q A	-34.00%	--	-5.00%	11.30	22.30	07/30/2020
US	Personal Consumption	2Q A	-37.00%	--	-6.80%	11.30	22.30	07/30/2020
US	Initial Jobless Claims	Jul-25	--	--	1416k	11.30	22.30	07/30/2020
US	Continuing Claims	Jul-18	--	--	16197k	11.30	22.30	07/30/2020
<b>Friday 31 July</b>								
NZ	ANZ Consumer Confidence MoM	Jul	--	--	7.40%	21.00	08.00	07/31/2020
NZ	ANZ Consumer Confidence Index	Jul	--	--	104.5	21.00	08.00	07/31/2020
UK	GfK Consumer Confidence	Jul F	--	--	-27	22.01	09.01	07/31/2020
JN	Jobless Rate	Jun	3.00%	--	2.90%	22.30	09.30	07/31/2020
JN	Job-To-Applicant Ratio	Jun	1.15	--	1.2	22.30	09.30	07/31/2020
JN	Industrial Production MoM	Jun P	0.90%	--	-8.90%	22.50	09.50	07/31/2020
CH	Composite PMI	Jul	--	--	54.2	0.00	11.00	07/31/2020
CH	Manufacturing PMI	Jul	50.8	--	50.9	0.00	11.00	07/31/2020
CH	Non-manufacturing PMI	Jul	54.5	--	54.4	0.00	11.00	07/31/2020
AU	Private Sector Credit MoM	Jun	-0.10%	--	-0.10%	0.30	11.30	07/31/2020
AU	PPI QoQ	2Q	--	--	0.20%	0.30	11.30	07/31/2020
FR	GDP QoQ	2Q P	-15.60%	--	-5.30%	4.30	15.30	07/31/2020
FR	CPI EU Harmonized MoM	Jul P	-0.20%	--	0.10%	5.45	16.45	07/31/2020
EC	GDP SA QoQ	2Q A	-10.70%	--	-3.60%	8.00	19.00	07/31/2020
EC	CPI Core YoY	Jul P	0.70%	--	0.80%	8.00	19.00	07/31/2020
US	PCE Core Deflator MoM	Jun	0.20%	--	0.10%	11.30	22.30	07/31/2020
US	PCE Core Deflator YoY	Jun	1.00%	--	1.00%	11.30	22.30	07/31/2020
US	Employment Cost Index	2Q	0.60%	--	0.80%	11.30	22.30	07/31/2020
US	MNI Chicago PMI	Jul	43.9	--	36.6	12.45	23.45	07/31/2020
<b>Upcoming Central Bank Interest Rate Announcements</b>								
US, Federal Reserve	Jul 29	0/0.25	0/0.25			0/0.25		
Australia, RBA	Jul 29	0.00	0.00			0.00		
UK, BOE	Aug 4	0.25	0.25			0.25		
New Zealand, RBNZ	Aug 6	0.10	0.10			0.10		
Canada, BoC	Aug 12	0.25	0.25			0.25		
Europe, ECB	Sep 9	0.25	0.25			0.25		
Japan, BoJ	Sep 10	-0.50	-0.50			-0.50		
	Sep 17	-0.10	-0.10			-0.10		

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



## FORECASTS

Economic Forecasts																				
	Annual % change				Quarterly % change															
					2019				2020				2021				2022			
	2019	2020	2021	2022	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Australia Forecasts																				
Household Consumption	1.4	-3.5	3.1	3.0	0.4	0.3	0.1	0.5	-1.1	-6.5	3.7	1.0	0.7	0.9	1.2	0.7	0.6	0.7	0.7	0.8
Underlying Business Investment	-1.7	-20.2	-17.8	5.1	0.8	-0.2	-1.7	-1.5	-1.0	-16.0	-10.1	-7.6	-4.0	1.2	-0.4	1.3	1.7	1.5	1.6	1.6
Residential Construction	-6.9	-16.0	-6.9	17.2	-1.7	-3.5	-0.7	-4.1	-1.7	-10.5	-4.5	-3.8	-2.8	0.9	4.1	4.4	5.0	4.4	3.4	2.5
Underlying Public Spending	4.9	4.7	3.8	3.1	1.1	1.7	1.8	0.4	1.5	1.1	1.0	1.0	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Net Exports (a)	0.9	1.9	-0.8	-0.9	0.2	0.6	0.1	-0.1	0.5	2.4	-0.9	-0.2	0.0	-0.3	-0.3	-0.2	-0.2	-0.2	-0.2	-0.2
Inventories (a)	-0.2	-0.3	0.6	0.1	0.0	-0.4	0.1	0.2	-0.2	-1.4	1.8	-0.1	0.1	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Domestic Demand (q/q %)	—	—	—	—	0.3	0.4	0.4	0.2	-0.5	-5.6	1.2	0.1	0.3	0.9	1.1	0.9	0.9	1.0	0.9	0.9
Dom Demand (y/y %)	1.3	-3.6	0.9	3.9	1.2	1.3	1.2	1.3	0.5	-5.5	-4.7	-4.8	-4.1	2.5	2.4	3.2	3.9	3.9	3.8	3.8
Real GDP (q/q %)	—	—	—	—	0.5	0.6	0.6	0.5	-0.3	-4.9	2.7	0.2	0.3	0.8	0.7	0.7	0.7	0.7	0.7	0.7
Real GDP (y/y %)	1.8	-1.8	1.6	2.8	1.7	1.6	1.8	2.2	1.4	-4.1	-2.1	-2.4	-1.9	4.0	2.0	2.5	2.9	2.8	2.8	2.8
CPI headline (q/q %)	—	—	—	—	0.0	0.6	0.5	0.7	0.3	-2.0	1.6	0.7	0.4	0.4	0.3	0.3	0.1	0.3	0.6	0.8
CPI headline (y/y %)	1.6	0.7	1.7	1.3	1.3	1.6	1.7	1.8	2.2	-0.4	0.6	0.5	0.6	3.0	1.7	1.5	1.2	1.0	1.3	1.8
CPI underlying (q/q %)	—	—	—	—	0.2	0.4	0.4	0.4	0.5	0.2	0.4	0.3	0.4	0.4	0.2	0.1	0.1	0.3	0.5	0.6
CPI underlying (y/y %)	1.4	1.5	1.3	0.9	1.4	1.4	1.5	1.4	1.7	1.5	1.5	1.4	1.3	1.5	1.4	1.1	0.8	0.6	0.9	1.5
Private wages (q/q %)	—	—	—	—	0.5	0.5	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.3	0.5	0.5	0.5	0.5	0.5	0.5
Private wages (y/y %)	2.3	1.8	1.2	2.0	2.4	2.3	2.2	2.2	2.1	1.9	1.6	1.3	1.1	1.0	1.3	1.5	1.8	2.0	2.0	2.0
Unemployment Rate (%)	5.1	7.1	7.4	6.1	5.1	5.1	5.2	5.2	5.2	7.1	8.0	8.1	7.8	7.2	7.5	6.9	6.5	6.2	6.0	5.8
Terms of trade	5.1	-2.9	-1.0	0.9	3.3	1.4	0.2	-5.2	2.9	-2.9	0.3	-0.5	-1.3	0.6	1.3	0.6	-0.1	-0.1	-0.1	-0.1
Current Account (% GDP)	0.6	2.6	1.9	1.1	-0.6	1.0	1.4	0.3	1.7	3.7	2.7	2.4	2.1	2.0	1.9	1.7	1.5	1.2	1.0	0.7

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

Exchange Rate Forecasts						
	27-Jul	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
<b>Majors</b>						
AUD/USD	0.713	0.70	0.72	0.74	0.74	0.75
NZD/USD	0.67	0.64	0.66	0.67	0.68	0.69
USD/JPY	105.6	109	109	109	109	108
EUR/USD	1.17	1.13	1.15	1.17	1.18	1.19
GBP/USD	1.28	1.27	1.30	1.32	1.33	1.35
USD/CNY	7.00	7.10	7.05	6.95	6.85	6.80
USD/CAD	1.34	1.41	1.39	1.37	1.35	1.30
USD/CHF	0.92	0.97	0.96	0.96	0.95	0.95

<b>Australian Cross Rates</b>						
AUD/NZD	1.07	1.09	1.09	1.10	1.09	1.09
AUD/JPY	75.3	76	78	81	81	81
AUD/EUR	0.61	0.62	0.63	0.63	0.63	0.63
AUD/GBP	0.56	0.55	0.55	0.56	0.56	0.56
AUD/CNY	4.99	4.97	5.08	5.14	5.07	5.10
AUD/CAD	0.95	0.99	1.00	1.01	1.00	0.98
AUD/CHF	0.65	0.68	0.69	0.71	0.70	0.71

Interest Rate Forecasts						
	27-Jul	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
<b>Australian Rates</b>						
RBA cash rate	0.25	0.25	0.25	0.25	0.25	0.25
3 month bill rate	0.10	0.10	0.15	0.20	0.20	0.25
3 Year Swap Rate	0.22	0.15	0.15	0.20	0.20	0.25
10 Year Swap Rate	0.80	0.85	0.95	1.10	1.20	1.35
<b>Offshore Policy Rates</b>						
US Fed funds	0.25	0.25	0.25	0.25	0.25	0.25
ECB deposit rate	-0.50	-0.60	-0.60	-0.60	-0.60	-0.60
BoE repo rate	0.10	0.25	0.25	0.25	0.25	0.25
BoJ excess reserves rate	-0.10	-0.20	-0.20	-0.20	-0.20	-0.20
RBNZ OCR	0.25	0.25	0.25	0.25	0.25	0.25
<b>10-year Bond Yields</b>						
Australia	0.89	0.95	1.05	1.15	1.25	1.35
United States	0.59	0.70	0.80	0.90	1.00	1.10
New Zealand	0.83	0.88	1.03	1.28	1.38	1.63

Sources: NAB Global Markets Research; Bloomberg; ABS

Global GDP			
	2019	2020	2021
Australia	1.8	-1.8	1.6
United States	2.3	-5.9	4.2
Eurozone	1.2	-7.4	5.7
United Kingdom	1.4	-8.2	6.5
Japan	0.7	-6.2	3.0
China	6.1	1.5	9.5
India	4.9	-1.5	8.0
New Zealand	2.3	-7.8	3.0
World	3.0	-3.5	6.0

Commodity prices (\$US)						
	27-Jul	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21
Brent oil	43.3	45	49	53	55	55
Gold	1933	1725	1725	1750	1775	1800
Iron ore	na	93	87	85	90	80
Hard coking coal*	112	115	120	125	140	135
Thermal coal	57	55	59	59	61	62
Copper	6430	5750	6000	6250	6500	6750
Aus LNG**	10	7	7	7	8	8

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

\*\* Implied Australian LNG export prices

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