



The Australian Economy and Financial Markets

Chart Pack | September 2022

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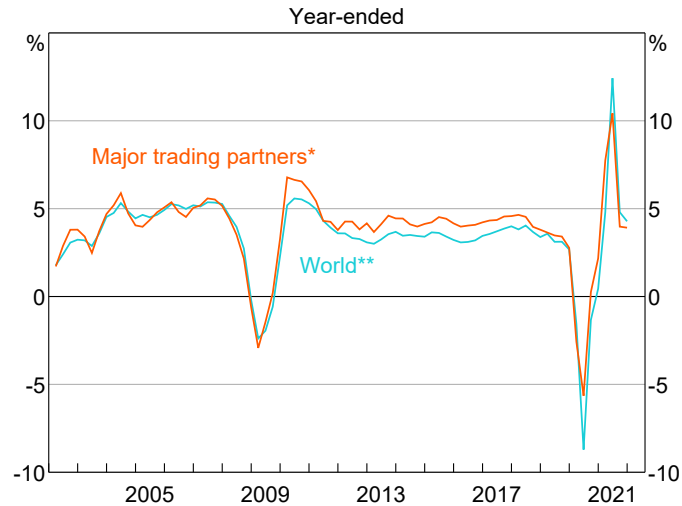
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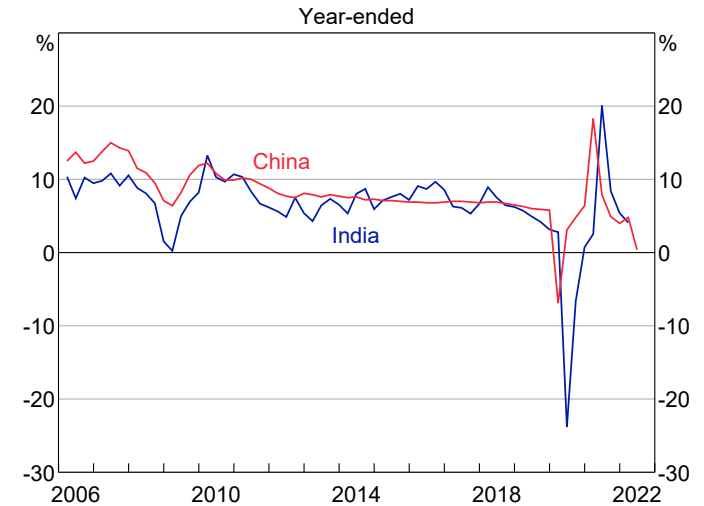
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GDP Growth – World



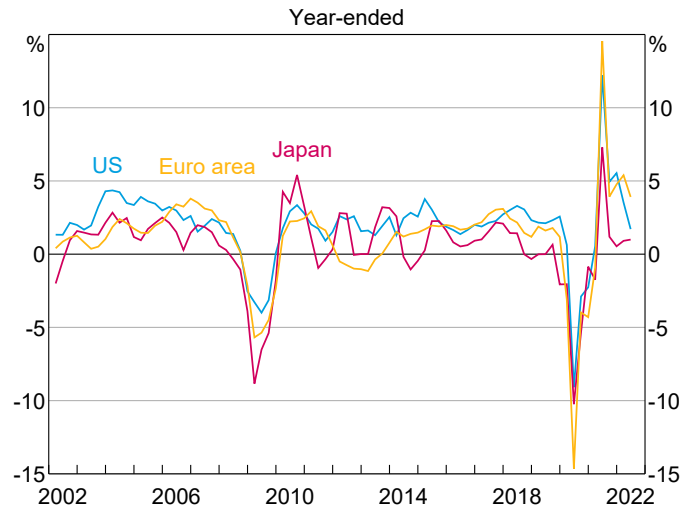
* Weighted using Australian export shares.
 ** PPP-weighted; accounts for 85 per cent of world GDP.
 Sources: ABS; CEIC Data; IMF; RBA; Refinitiv

GDP Growth – China and India



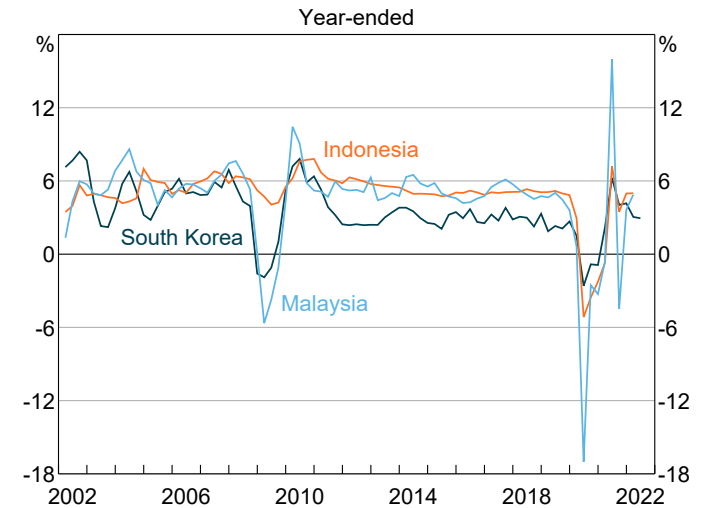
Sources: CEIC Data; RBA

GDP Growth – Advanced Economies



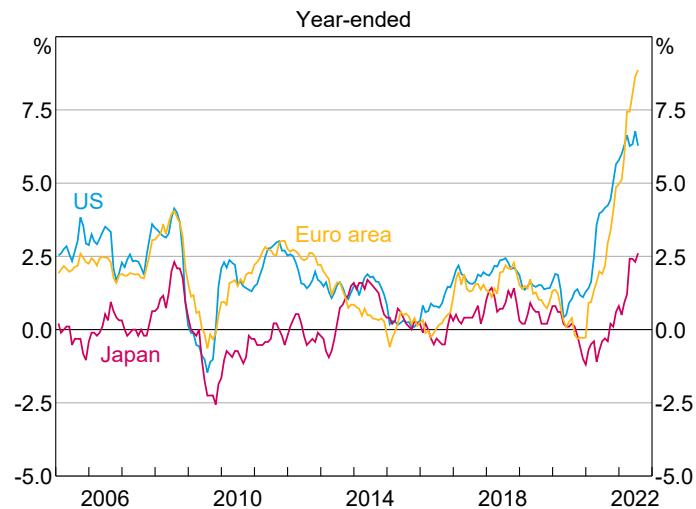
Source: Refinitiv

GDP Growth – East Asia



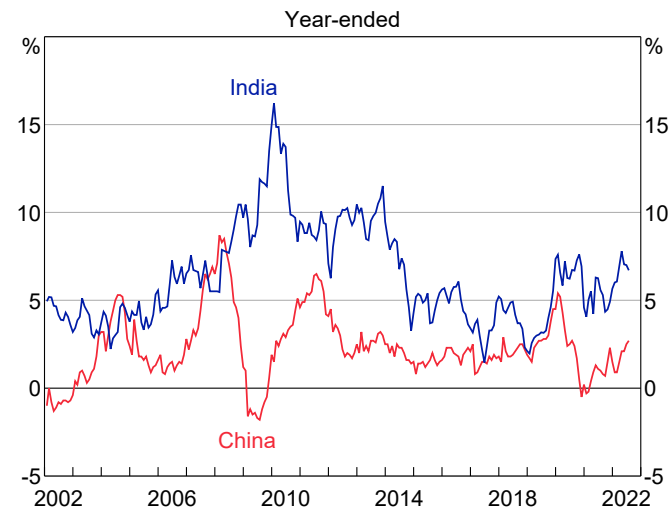
Sources: CEIC Data; RBA

Inflation – Advanced Economies*



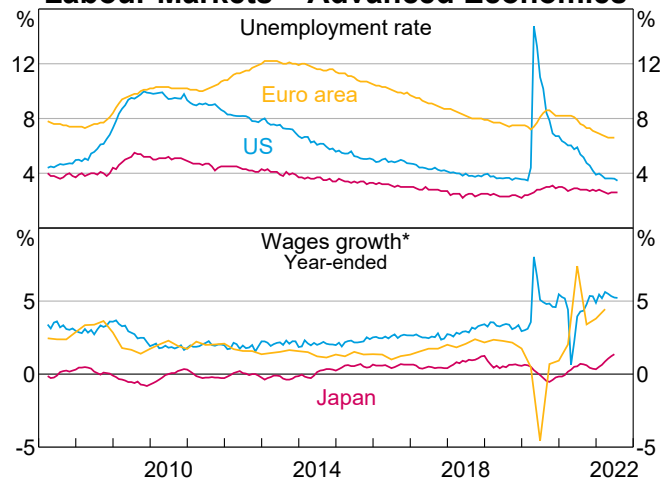
* Personal consumption expenditure (PCE) inflation for the US; Japan data excludes the effects of the consumption tax increase in April 2014.
Sources: RBA; Refinitiv

Inflation – China and India



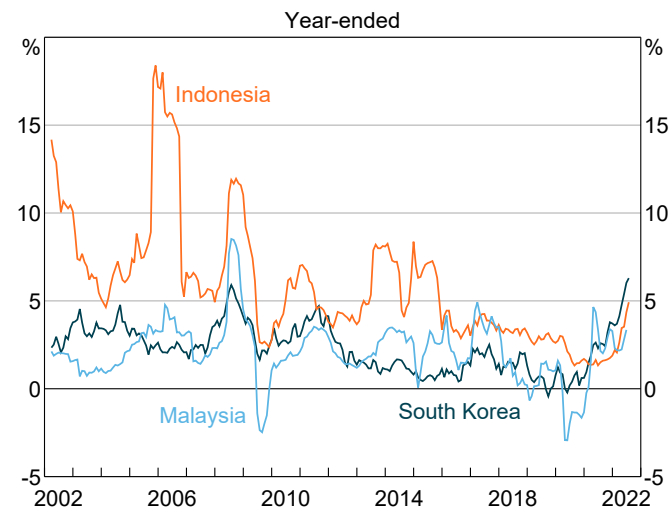
Source: CEIC Data

Labour Markets – Advanced Economies



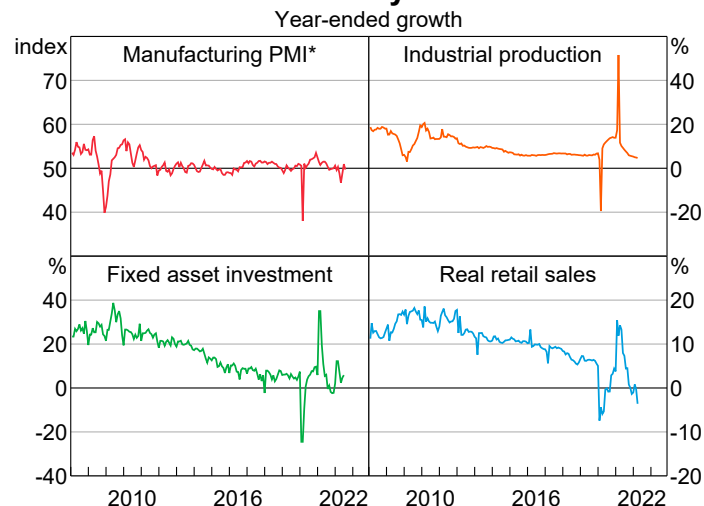
* Average hourly earnings for the US; compensation per employee for the euro area; smoothed full-time base wages for Japan.
Sources: CEIC Data; RBA; Refinitiv

Inflation – East Asia



Sources: CEIC Data; RBA; Refinitiv

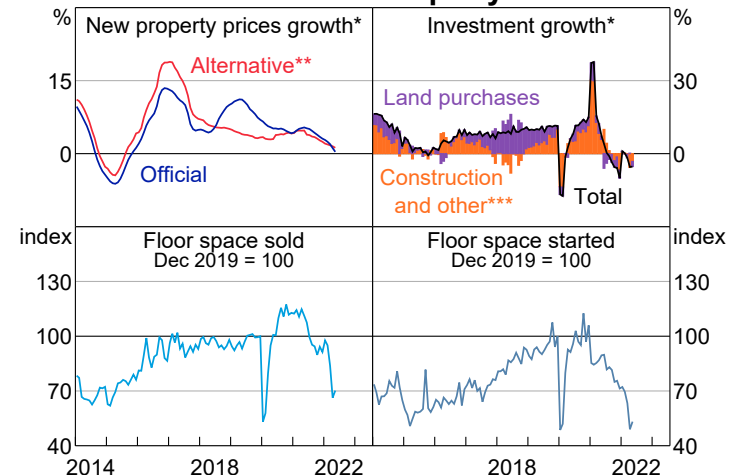
China – Activity Indicators



* Diffusion index; average of the official and Caixin.

Sources: CEIC Data; Markit Economics; RBA

China – Residential Property Indicators



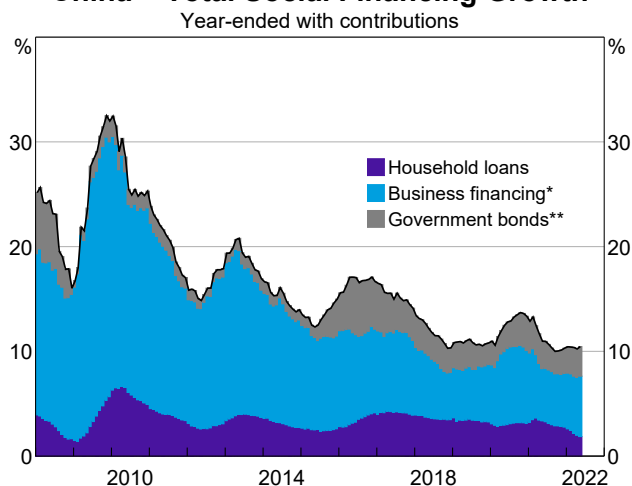
* Year-ended.

** China Index Academy.

*** Construction, installation, equipment purchases and other.

Sources: CEIC Data; CIA; RBA

China – Total Social Financing Growth

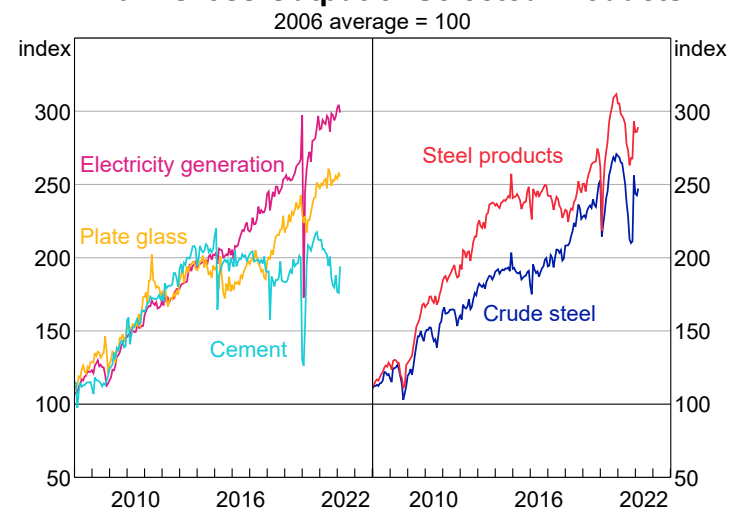


* Sum of business loans, securities financing and off-balance sheet financing.

** Net government bond issuance includes local government bond issuance to pay off debt previously classified as business financing, and uses RBA estimates prior to 2016.

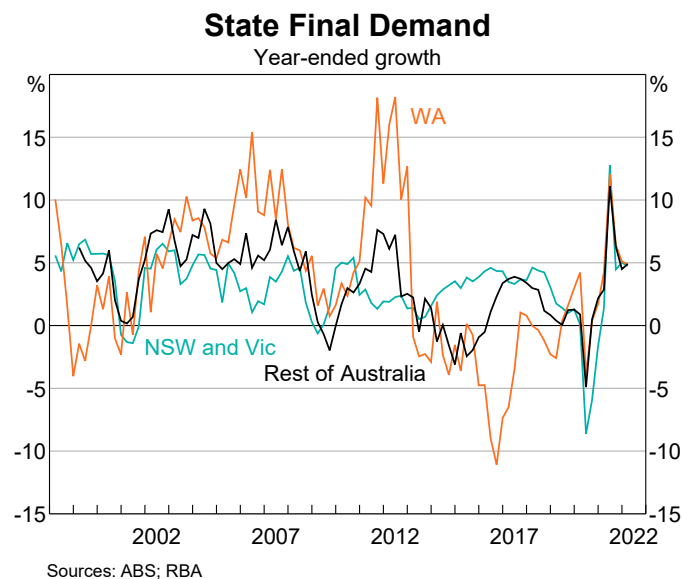
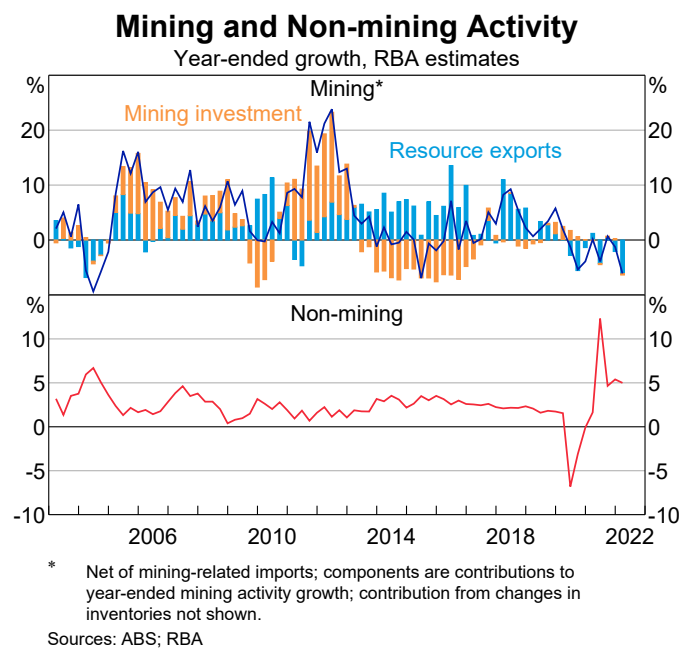
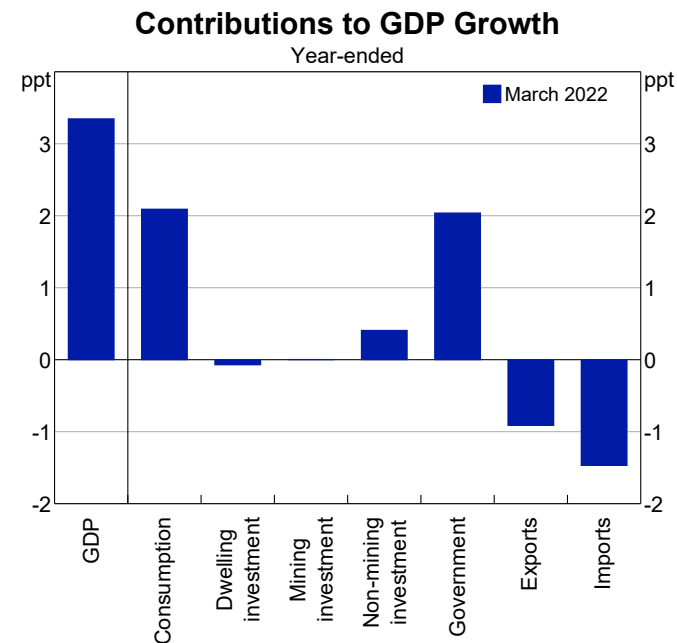
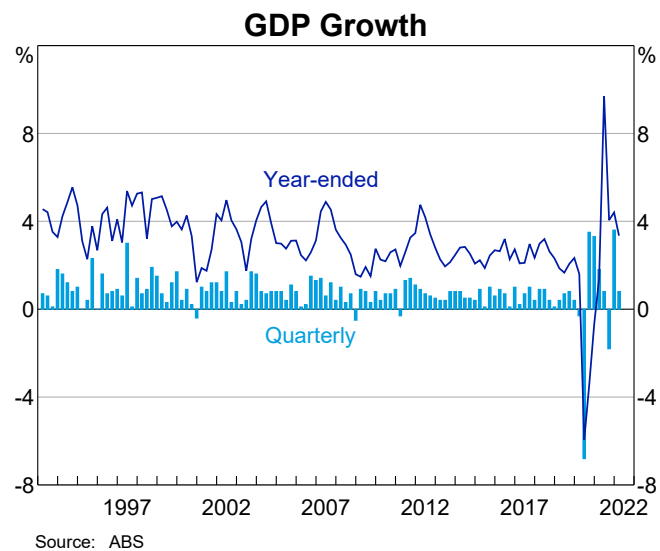
Sources: CEIC Data; RBA

China – Gross Output of Selected Products*

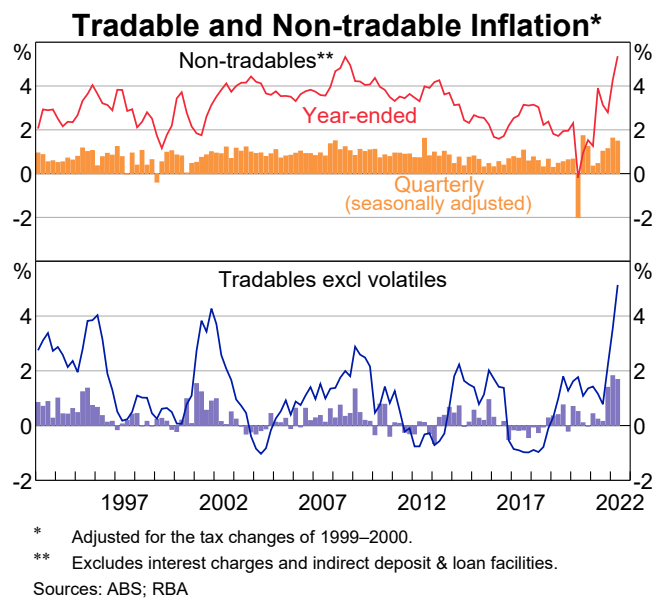
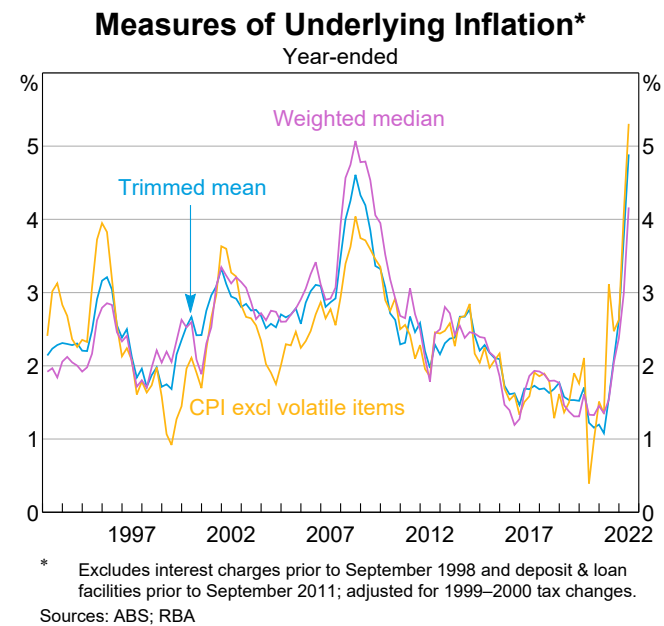
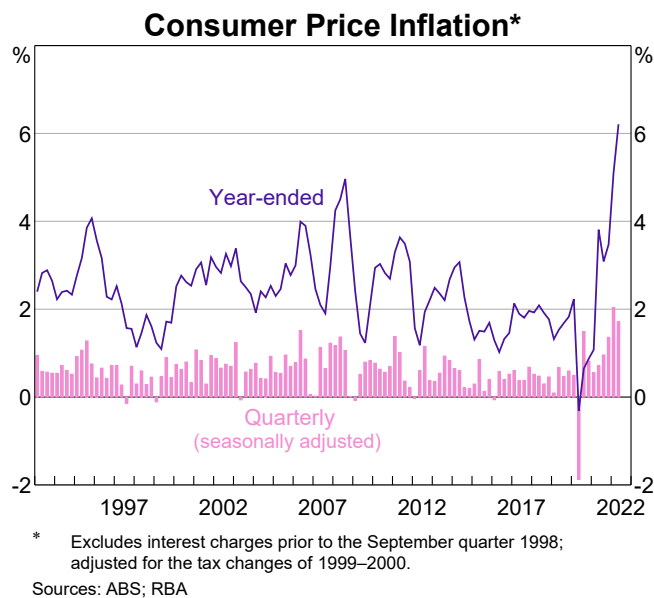


* Seasonally adjusted by the RBA.

Sources: CEIC Data; RBA

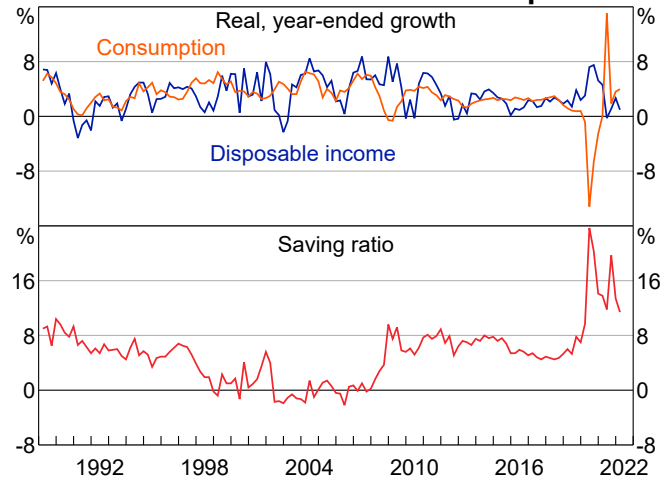


Australian Inflation



Household Sector

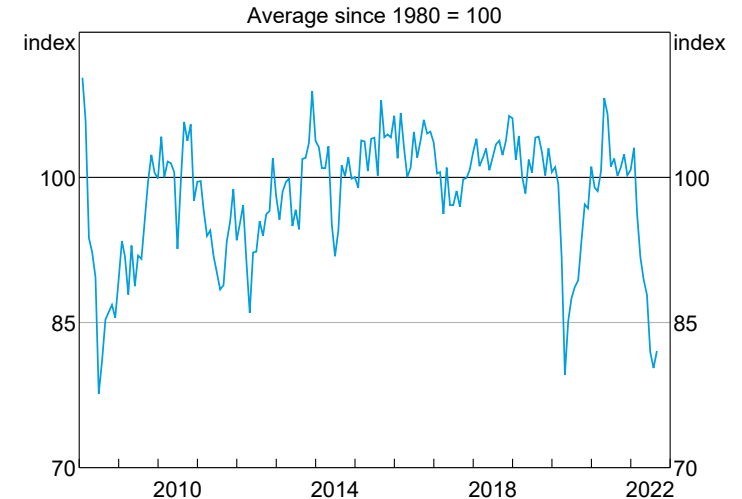
Household Income and Consumption*



* Household sector includes unincorporated enterprises; disposable income is after tax and interest payments; saving ratio is net of depreciation.

Sources: ABS; RBA

Consumer Sentiment*



* Average of the ANZ-Roy Morgan and Westpac-Melbourne Institute consumer sentiment measure of respondents' perceptions of their personal finances relative to the previous year; ANZ-Roy Morgan index rescaled to have the same average as the Westpac-Melbourne Institute index since 1996.

Sources: ANZ-Roy Morgan; RBA; Westpac and Melbourne Institute

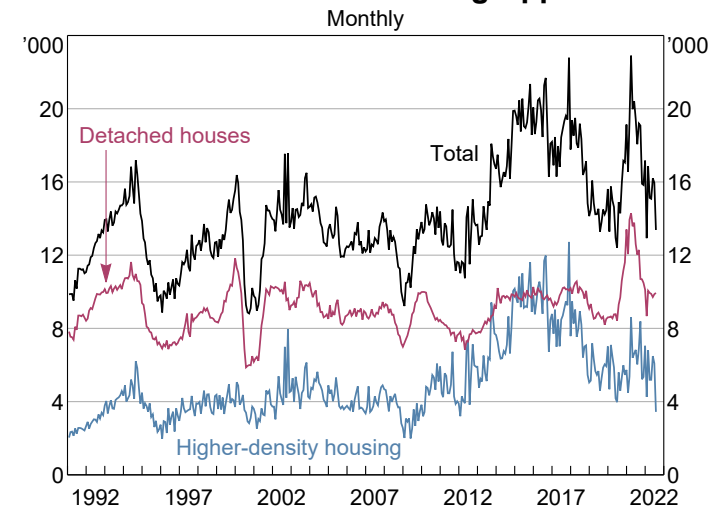
Private Dwelling Investment*



* Reference year is 2019/20.

Source: ABS

Private Residential Building Approvals

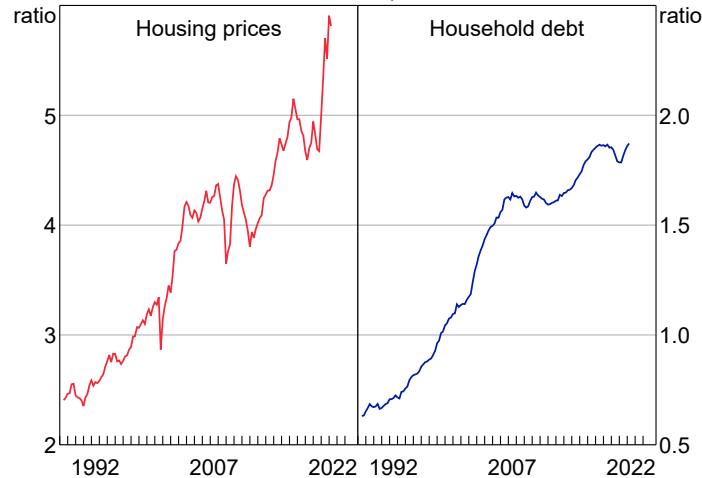


Source: ABS



Housing Prices and Household Debt*

Ratio to household disposable income

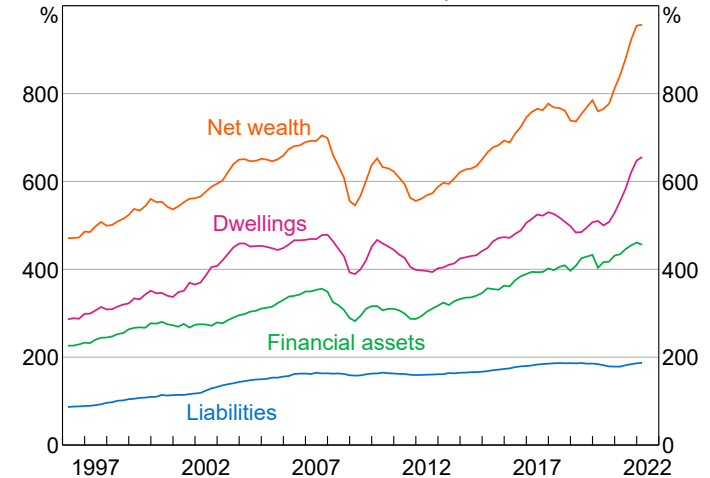


* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

Sources: ABS; CoreLogic; RBA

Household Wealth and Liabilities*

Per cent of annual household disposable income

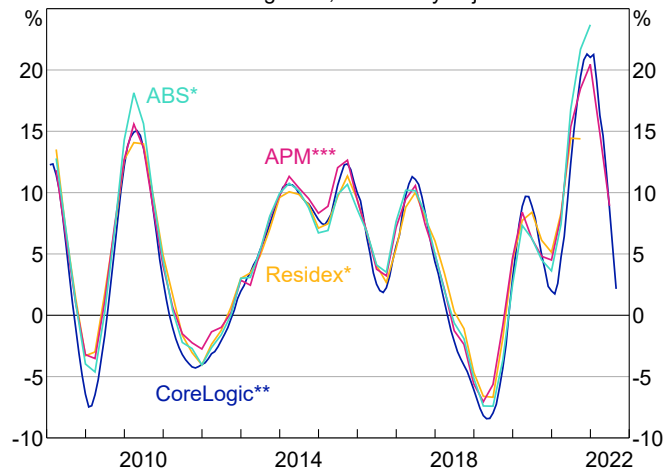


* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

Sources: ABS; RBA

Housing Prices

Year-ended growth, seasonally adjusted



* ABS is a quarterly stratified median price index; Residex is a quarterly repeat sales price index.

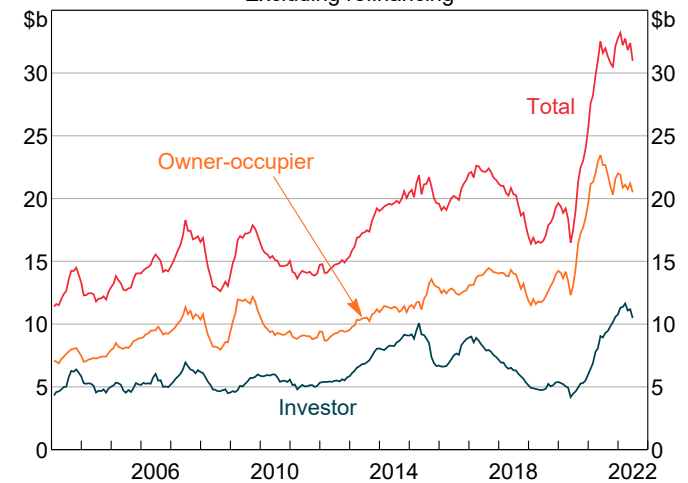
** Monthly hedonic price index; non-seasonally adjusted.

*** Quarterly stratified median price index.

Sources: ABS; APM; CoreLogic; RBA; Residex

Housing Loan Commitments*

Excluding refinancing

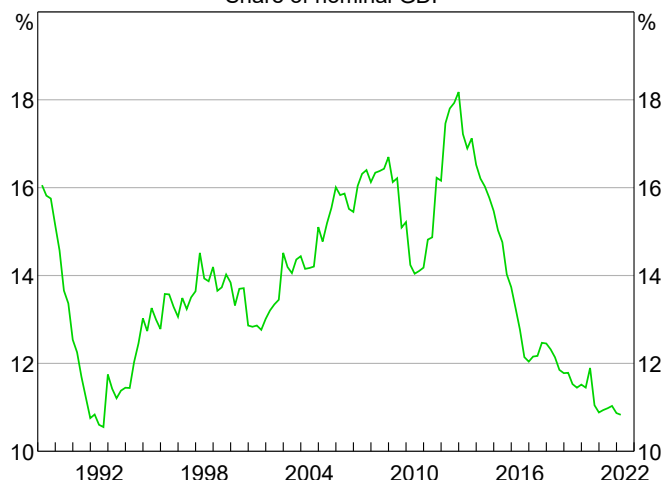


* Seasonally adjusted.

Sources: ABS; RBA

Business Investment*

Share of nominal GDP

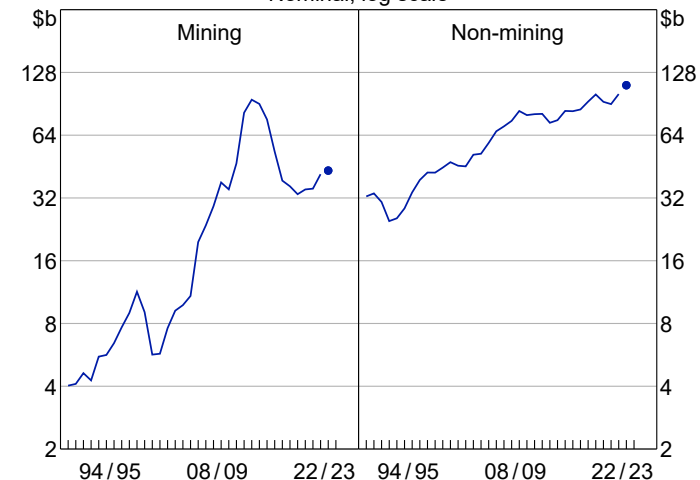


* Adjusted for second-hand asset transfers between the private and other sectors.

Source: ABS

Capital Expenditure – Mining and Non-mining*

Nominal, log scale

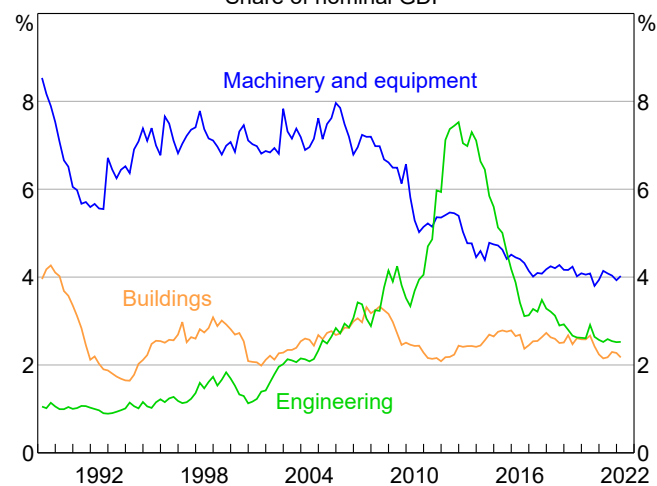


* Dots are firms' expectations for 2022/23; adjusted for historical differences between expected and realised spending.

Sources: ABS; RBA

Business Investment Components*

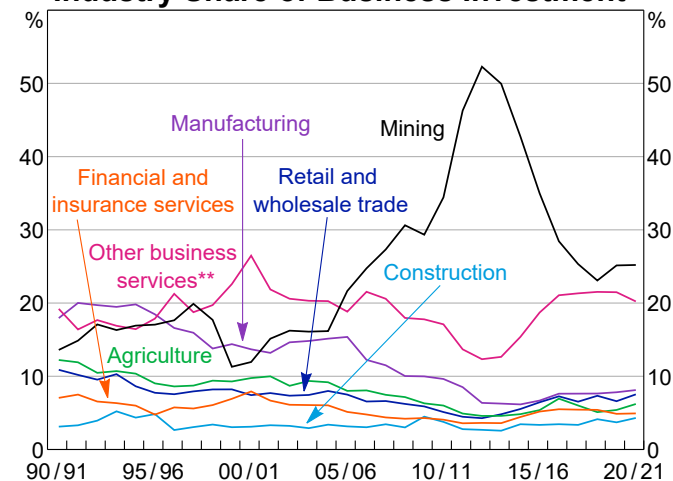
Share of nominal GDP



* Adjusted for second-hand asset transfers between the private and other sectors.

Source: ABS

Industry Share of Business Investment*



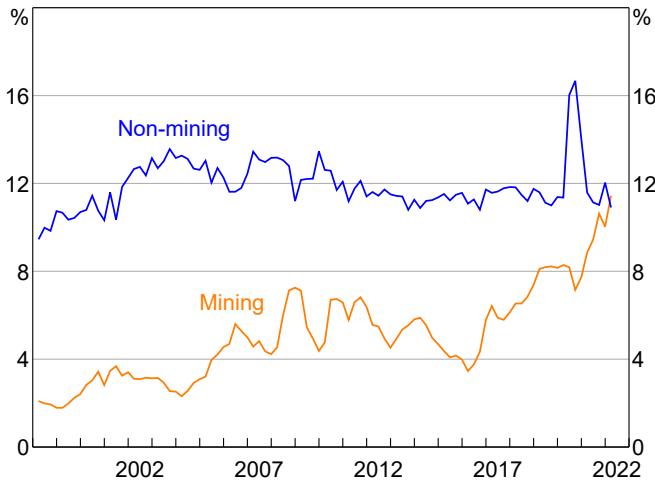
* Nominal; includes second hand asset transfers.

** Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services.

Source: ABS

Private Non-financial Corporation Profits*

Share of nominal GDP

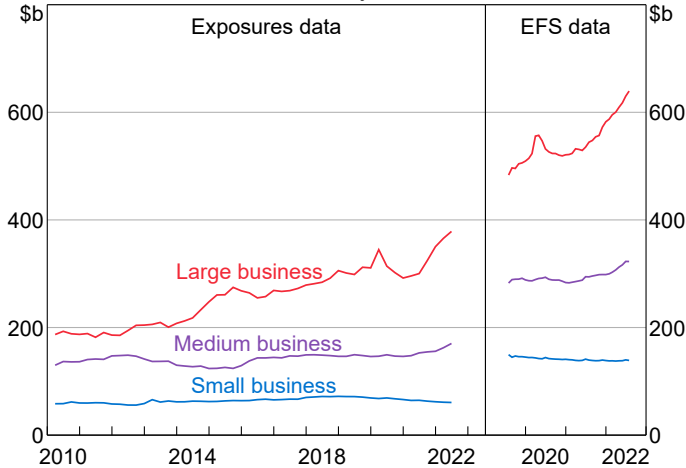


* Gross operating profits; inventory valuation adjusted.

Sources: ABS; RBA

Lending to Business*

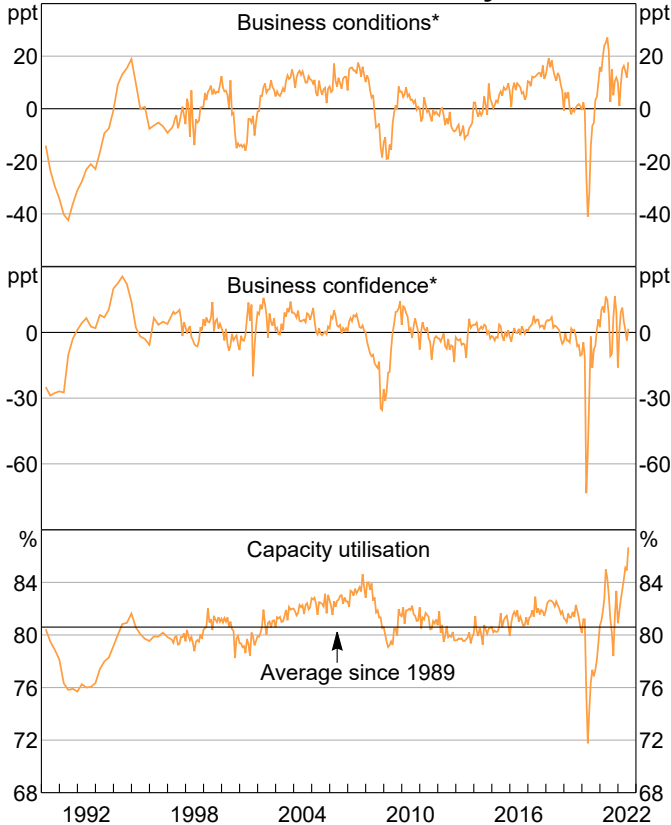
Break-adjusted



* Exposures data capture credit exposures on the balance sheets of banks allowed by APRA to use an internal ratings-based approach for credit risk management; EFS data are based on reporting of banks and finance companies that have \$2 billion or more of business credit.

Sources: APRA; RBA

NAB Business Survey



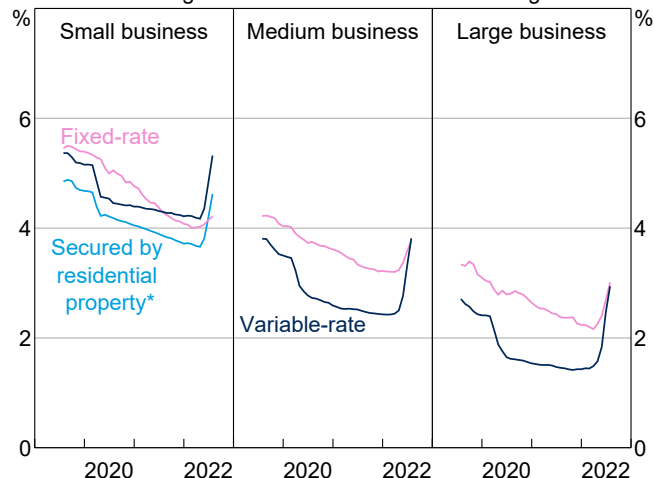
* Net balance; deviation from average since 1989.

Sources: NAB; RBA



Business Lending Rates

Average interest rate on credit outstanding

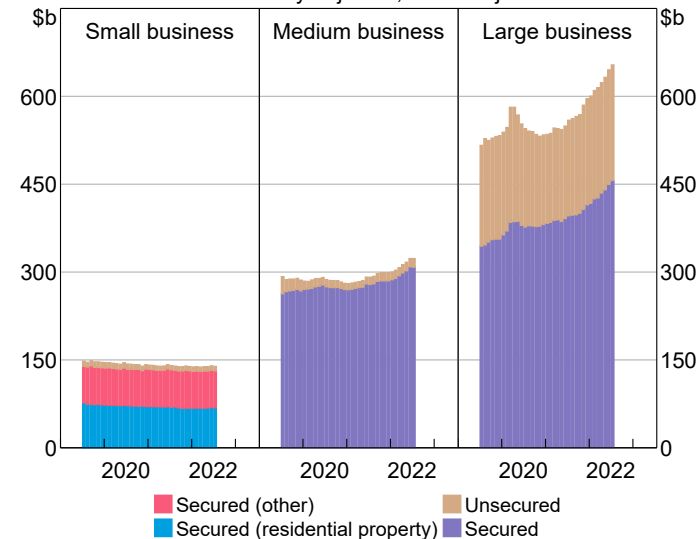


* Small business loans secured by residential property can have fixed or variable interest rate terms and are included in the fixed-rate and variable-rate lines

Sources: APRA; RBA

Lending to Businesses

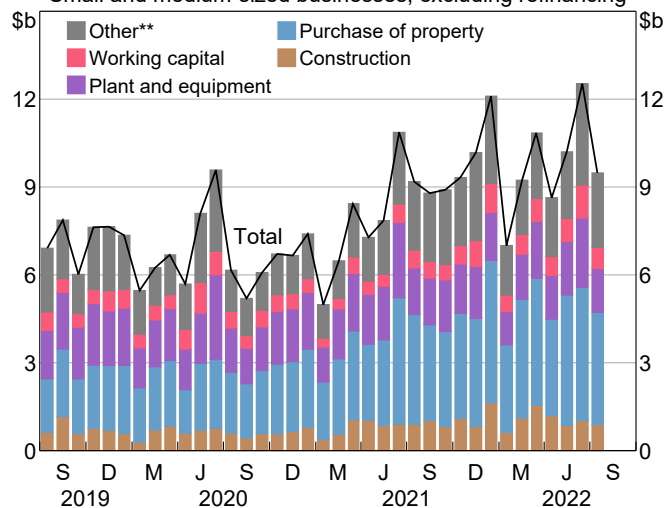
Not seasonally adjusted, break-adjusted



Sources: APRA; RBA

Business Loan Commitments*

Small and medium-sized businesses, excluding refinancing



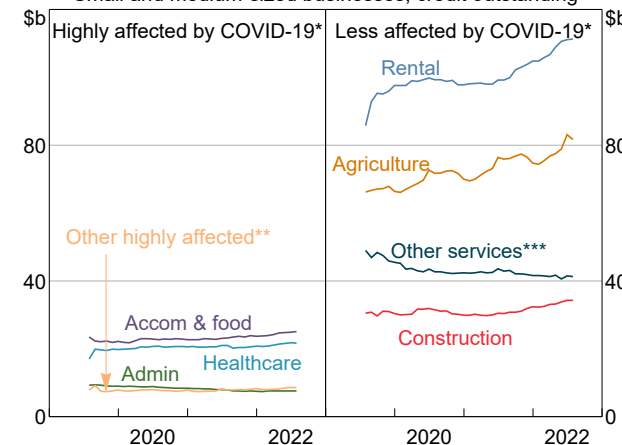
* Fixed-term loans; not seasonally adjusted.

** Wholesale finance, acquisitions and general business purposes.

Sources: APRA; RBA

Lending to Selected Industries

Small and medium-sized businesses, credit outstanding



* Highly affected industries had the highest share of businesses report a fall in revenue of greater than 50 per cent in a June 2020 ABS survey; less affected industries are the top four by value of SME lending.

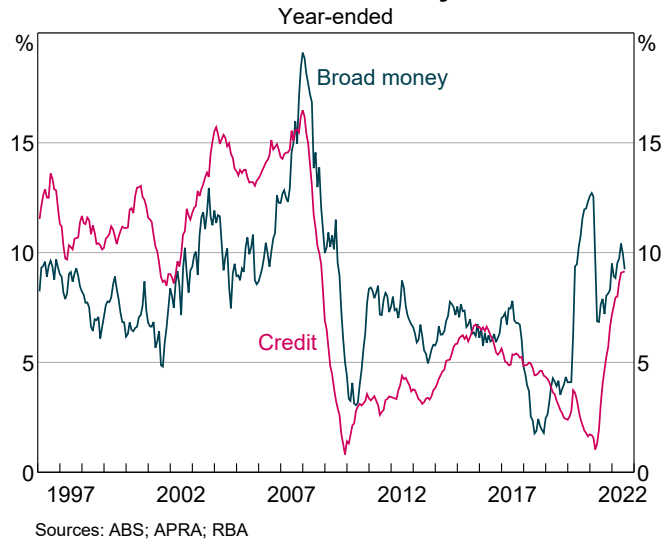
** Education & training; arts & recreation; information media & telecoms.

*** Other services includes a broad range of personal services, selected repair and maintenance activities and households employing staff.

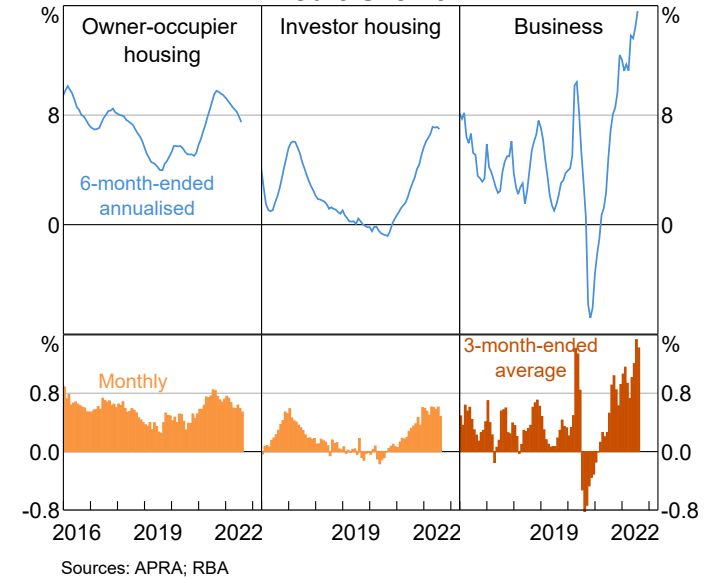
Sources: APRA; RBA



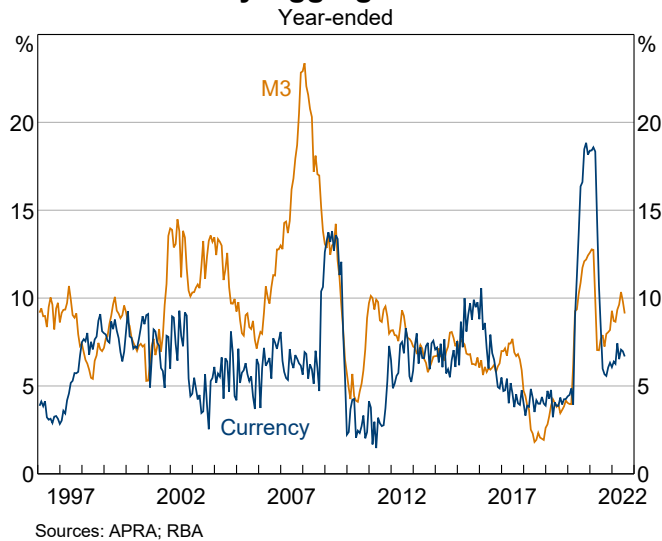
Credit and Broad Money Growth



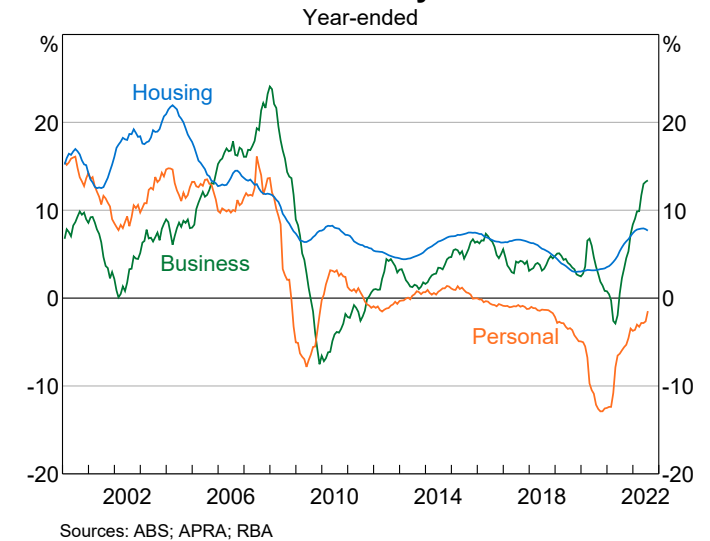
Credit Growth



Monetary Aggregates Growth



Credit Growth by Sector

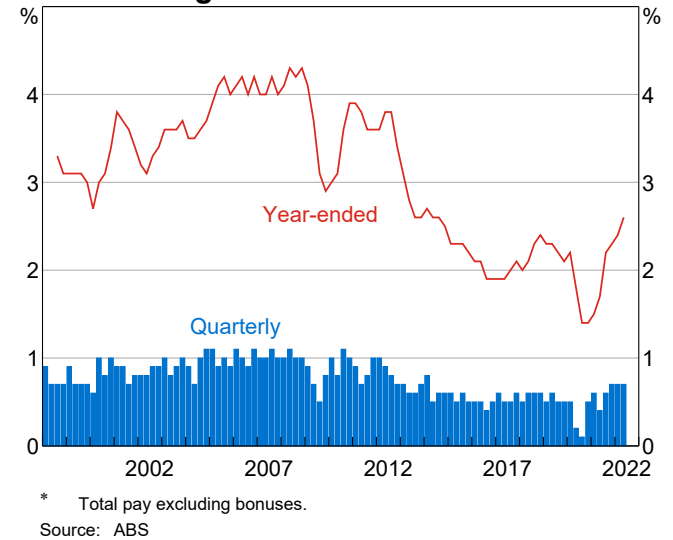


Factors of Production and Labour Market

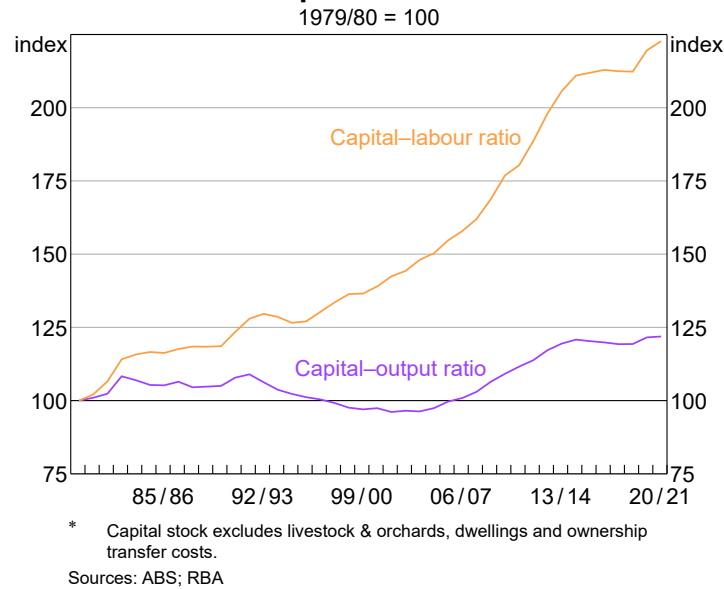
Factors of Production



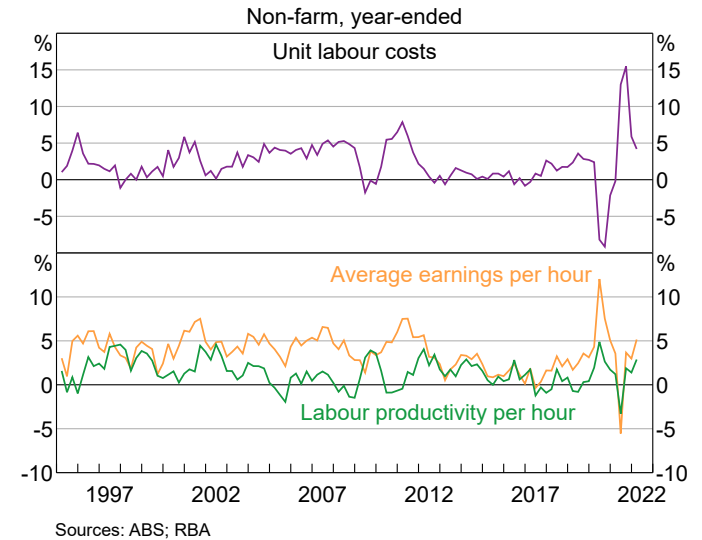
Wage Price Index Growth*



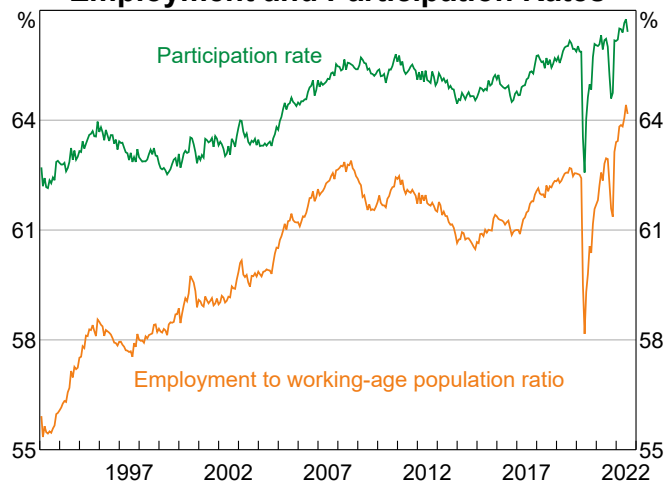
Capital Ratios*



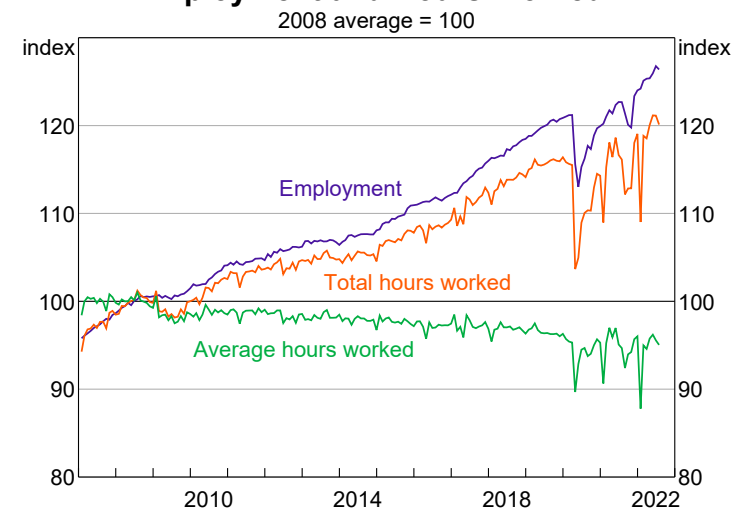
Unit Labour Costs Growth



Employment and Participation Rates

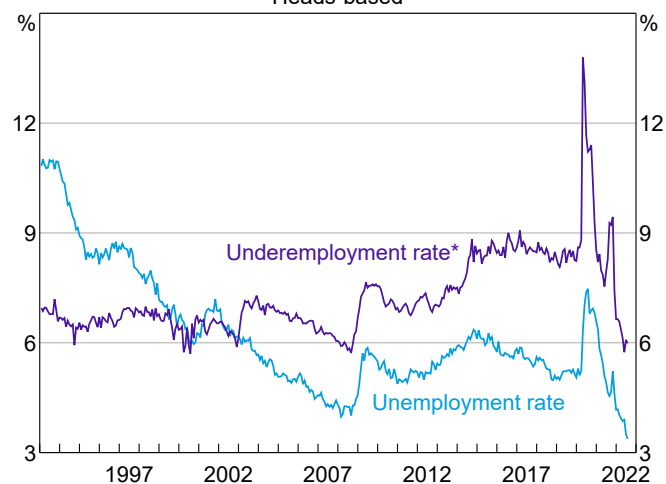


Employment and Hours Worked*



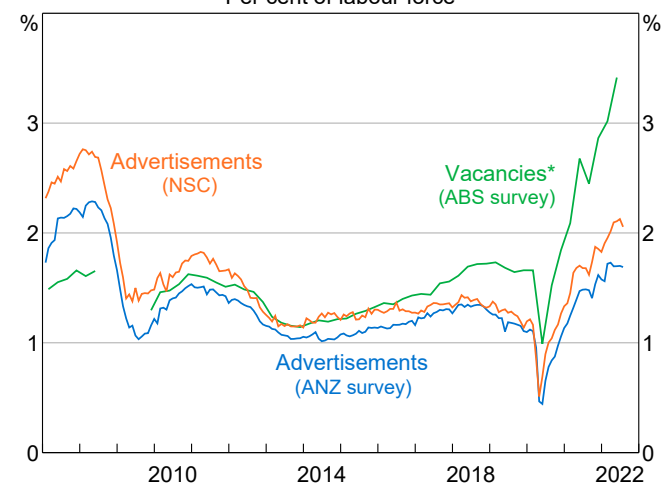
Labour Underutilisation Rates

Heads-based

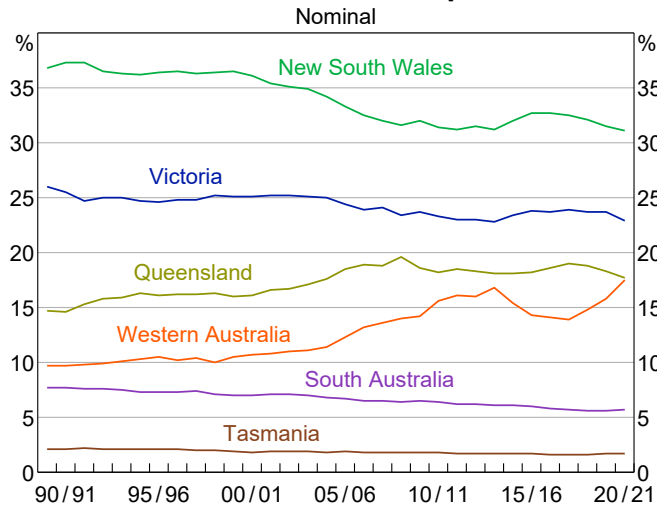


Job Vacancies and Advertisements

Per cent of labour force

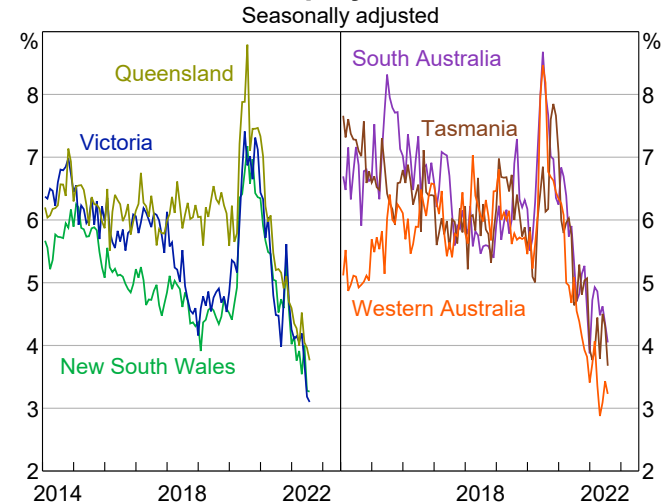


State Share of Output



Source: ABS

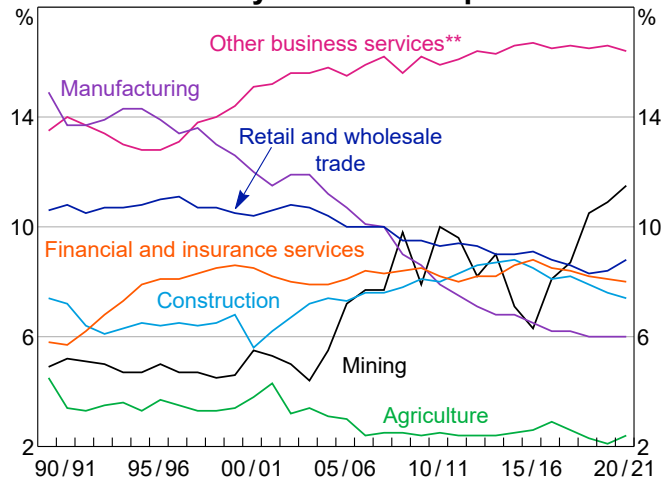
State Unemployment Rates*



* The trend series have been suspended from April 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period.

Source: ABS

Industry Share of Output*

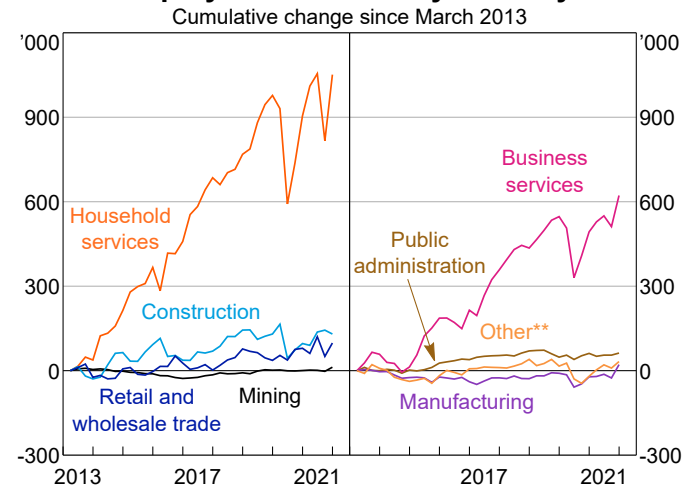


* Nominal gross value added.

** Includes: information media and telecommunications; rental, hiring and real estate services; professional, scientific and technical services; administrative and support services.

Source: ABS

Employment Growth by Industry*



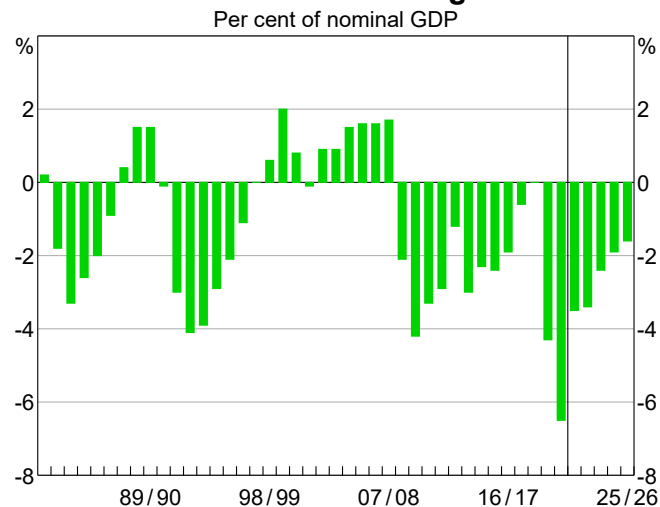
* The trend series have been suspended from June 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period.

** Includes agriculture, forestry & fishing; transport, postal & warehousing; and electricity, gas, water & waste services.

Source: ABS



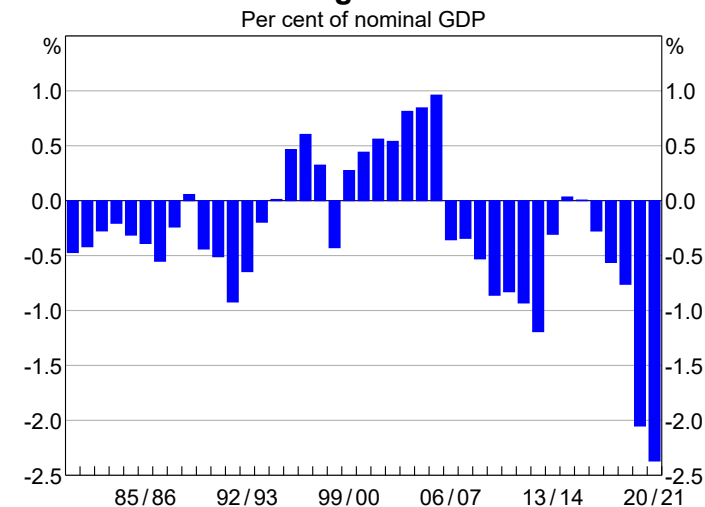
Australian Government Budget Balance*



* Underlying cash balance; 2022/23 Budget.

Source: Australian Treasury

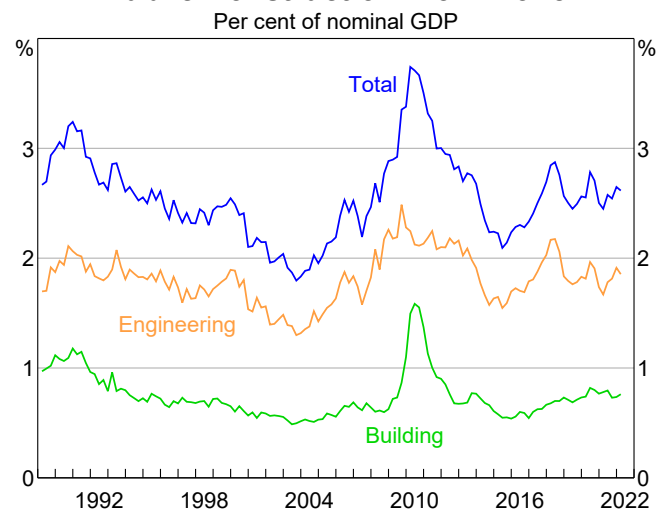
State Budget Balances*



* Underlying cash balance.

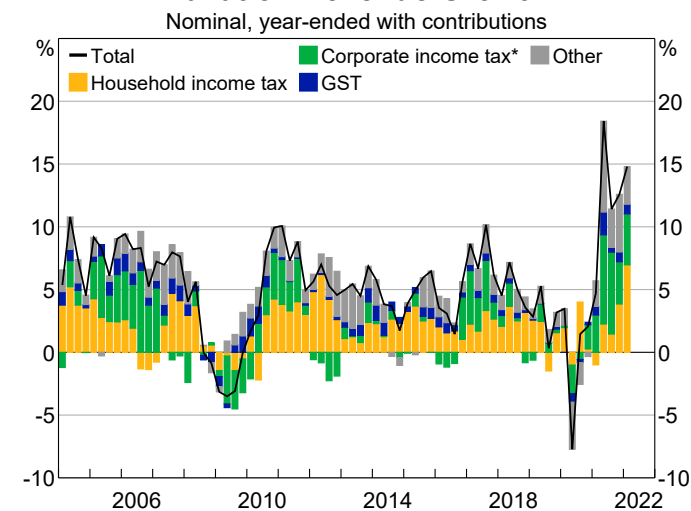
Source: ABS

Public Construction Work Done



Source: ABS

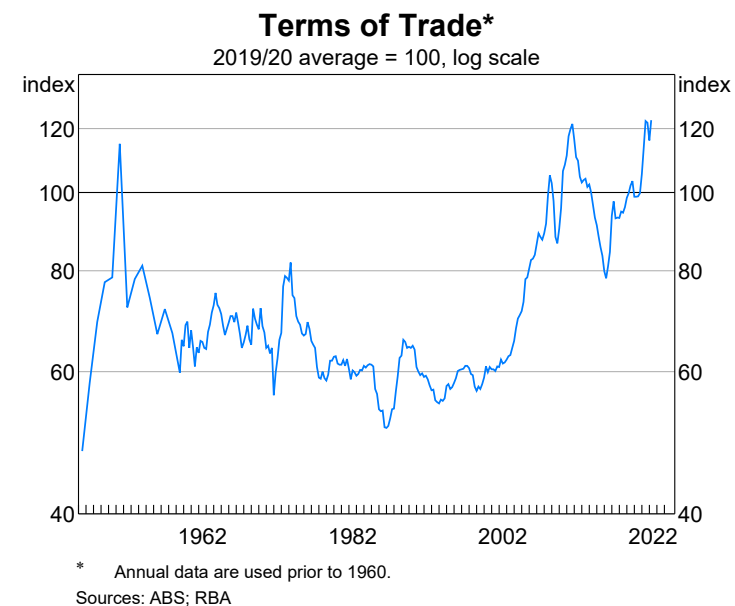
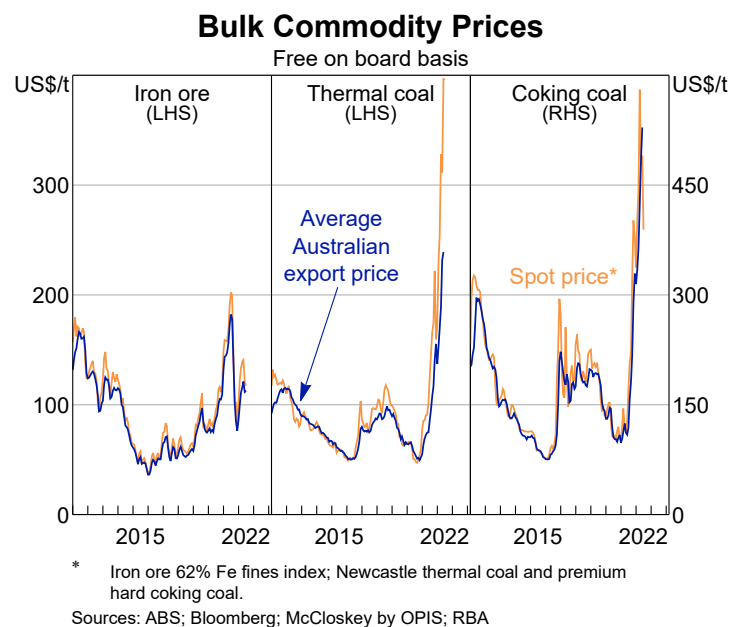
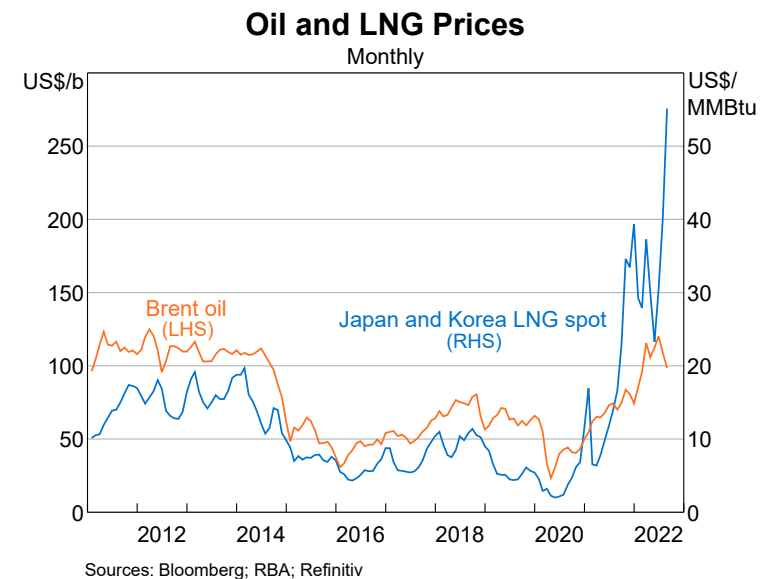
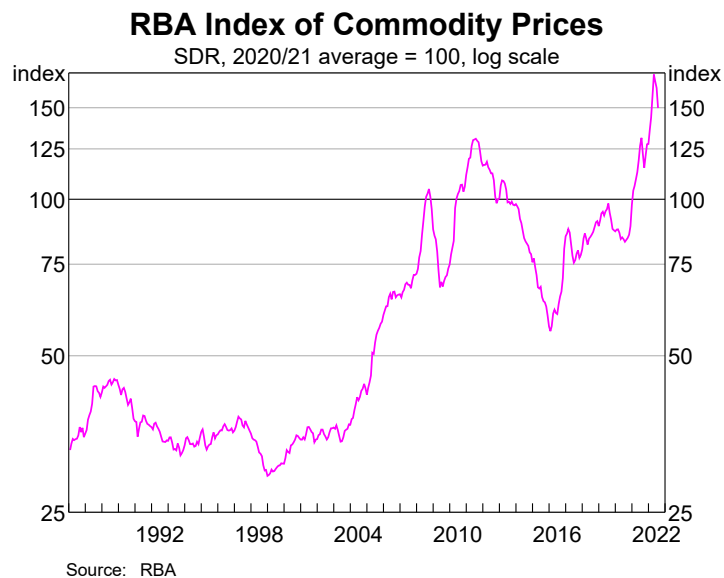
Taxation Revenue Growth



* Only includes taxation of resident corporations.

Source: ABS

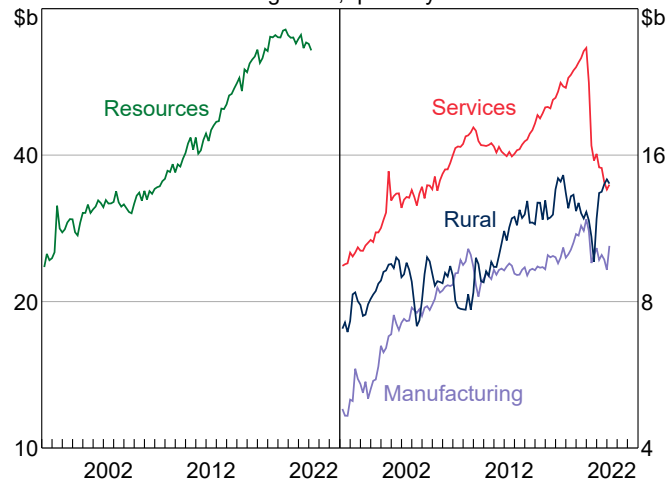
Commodity Prices



Balance of Payments and External Position

Export Volumes

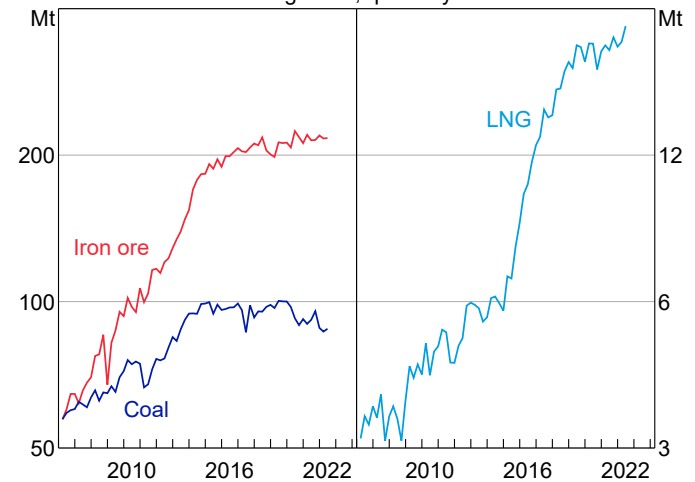
Log scale, quarterly



Sources: ABS; RBA

Resource Exports*

Log scale, quarterly

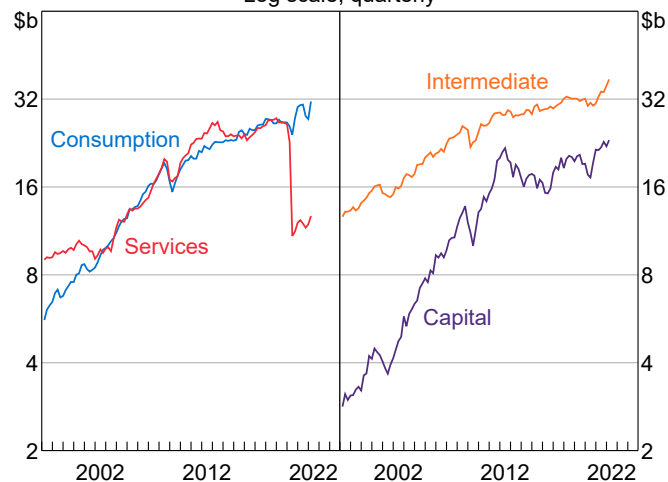


* Seasonally adjusted by the RBA.

Sources: ABS; Department of Industry, Science, Energy and Resources; RBA

Import Volumes

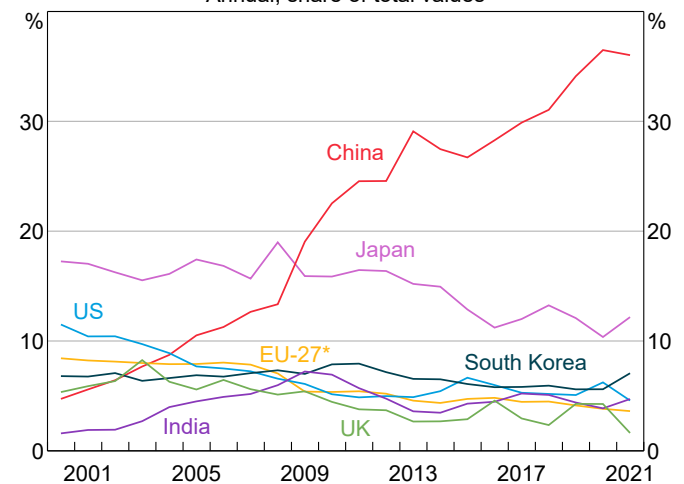
Log scale, quarterly



Source: ABS

Exports by Destination

Annual, share of total values



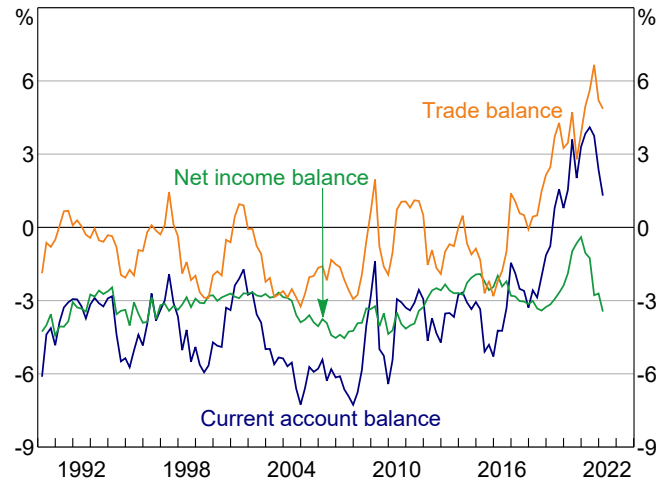
* The series has been revised to exclude the UK.

Sources: ABS; RBA



Current Account Balance

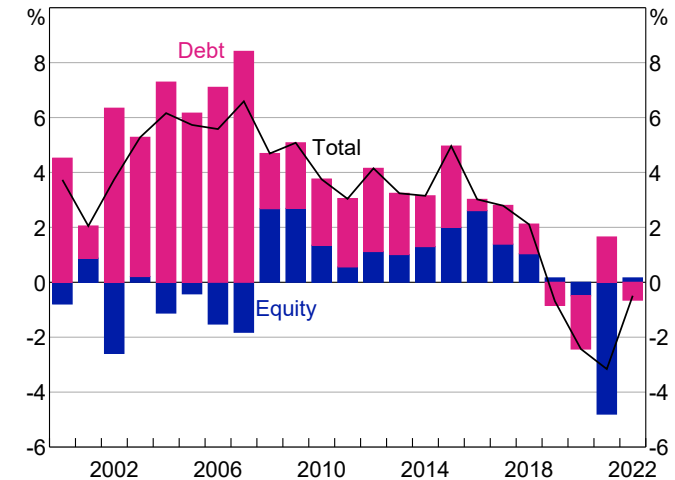
Per cent of nominal GDP



Source: ABS

Net Capital Inflow*

Per cent of nominal GDP

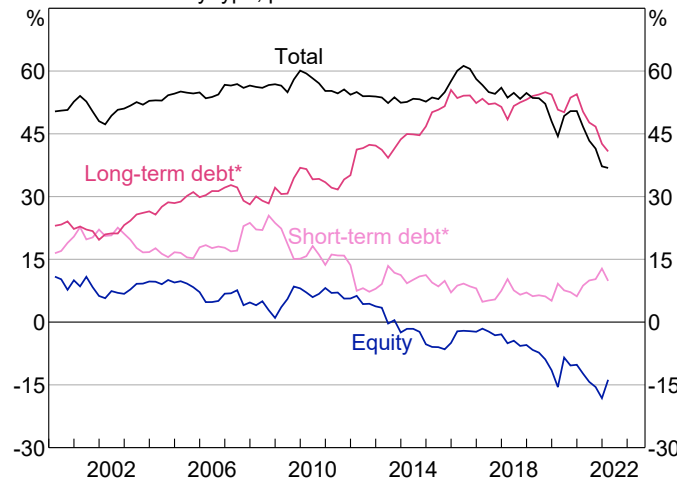


* Latest year includes data for the year to date.

Source: ABS

Net Foreign Liabilities

By type, per cent of nominal GDP

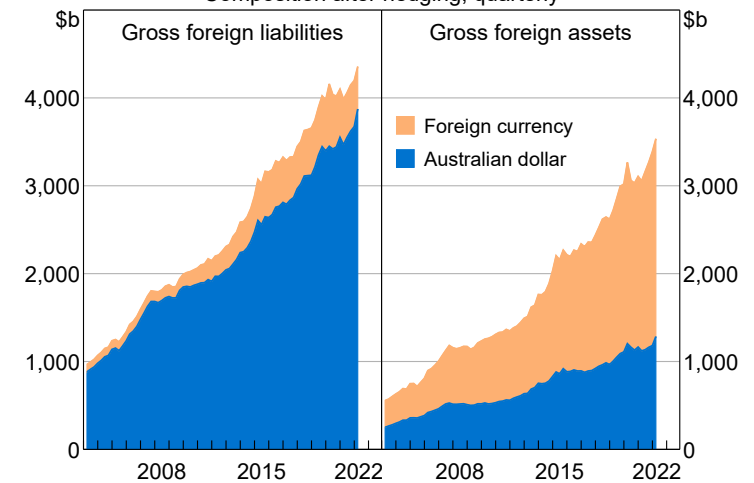


* Short-term includes debt with residual maturity of one year or less; long-term includes all other debt.

Source: ABS

External Position*

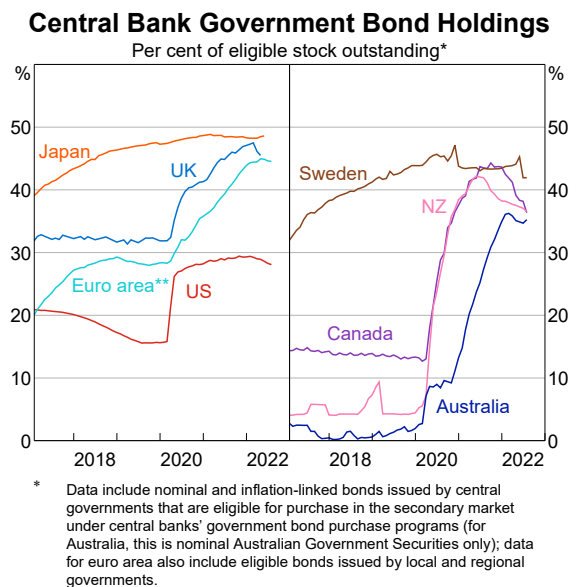
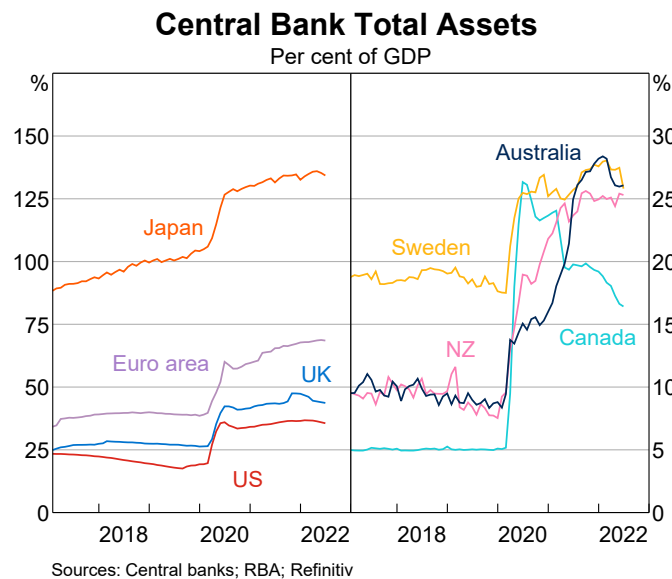
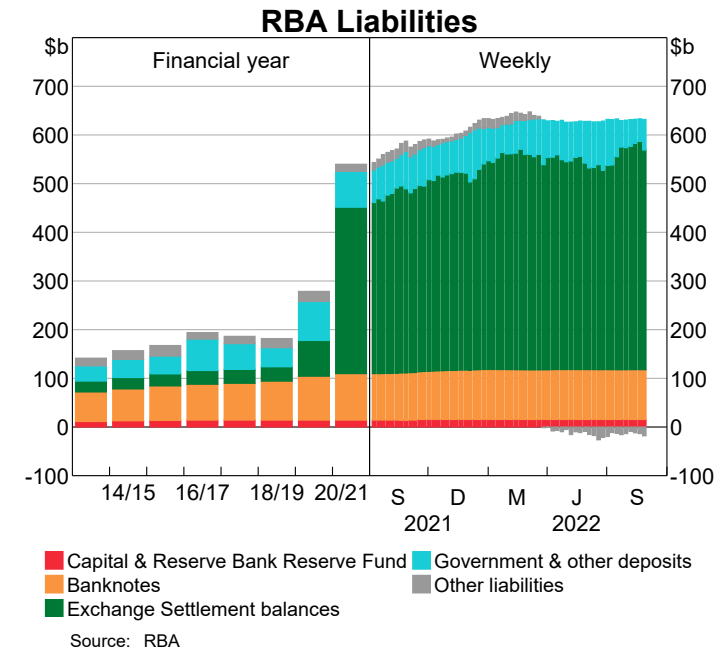
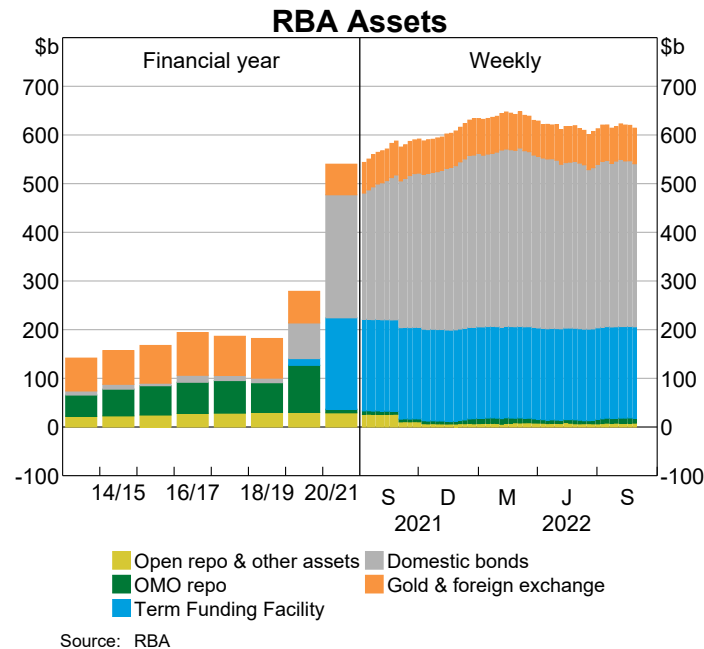
Composition after hedging, quarterly



* Hedge ratios inferred from ABS Foreign Currency Exposure surveys.

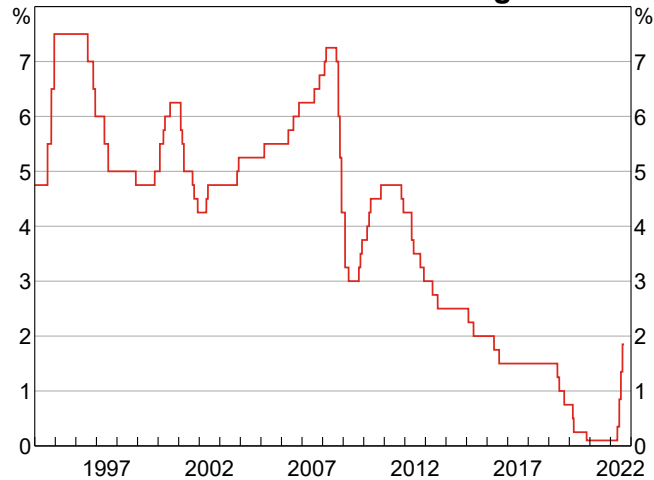
Sources: ABS; RBA

Central Bank Balance Sheets and Bond Purchases



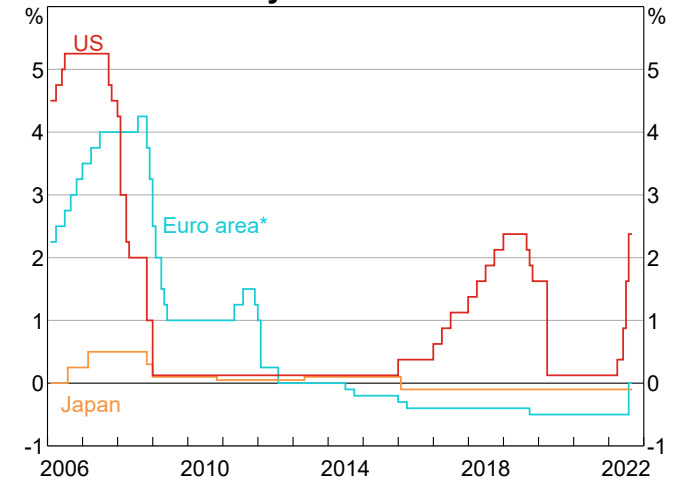
Interest Rates

Australian Cash Rate Target



Source: RBA

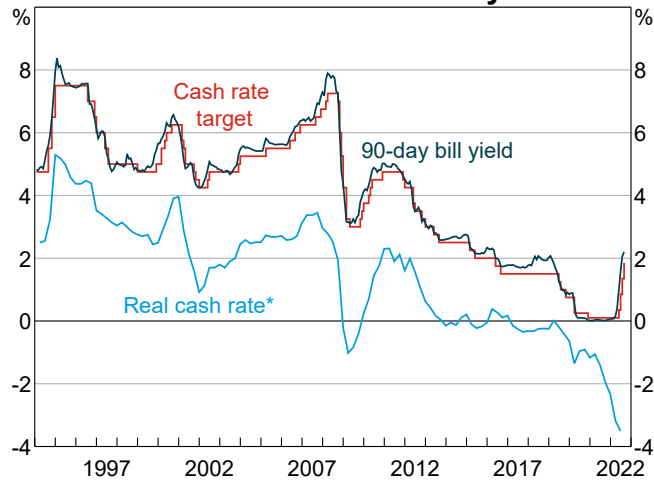
Policy Interest Rates



* Main refinancing rate until the introduction of 3-year LTROs in December 2011; deposit facility rate thereafter.

Source: Central banks

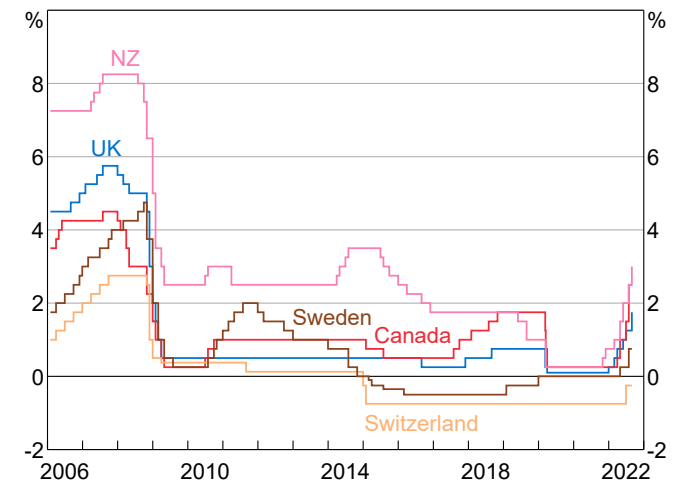
Australian Cash Rate and 90-day Bill Yield



* Calculated using average of year-ended weighted median inflation and year-ended trimmed mean inflation.

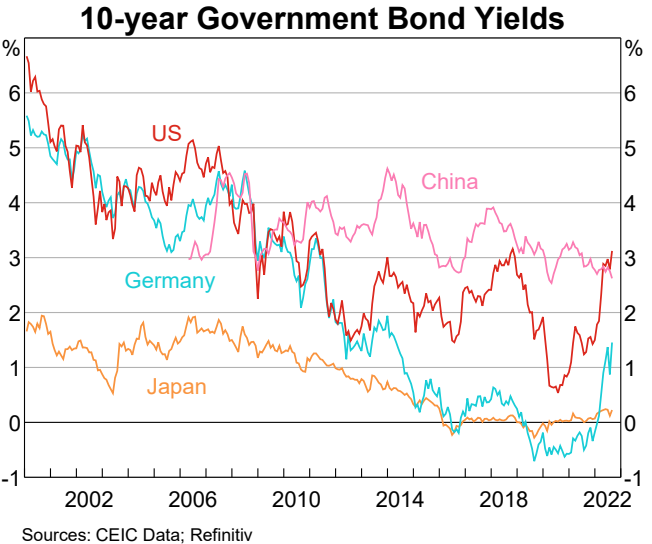
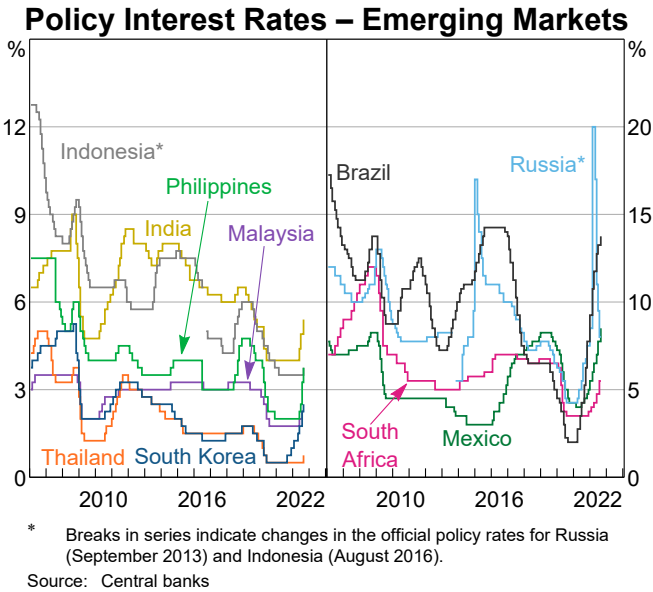
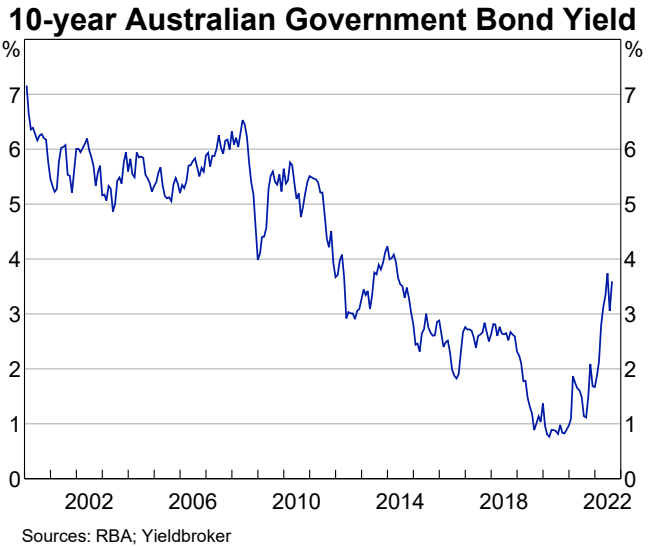
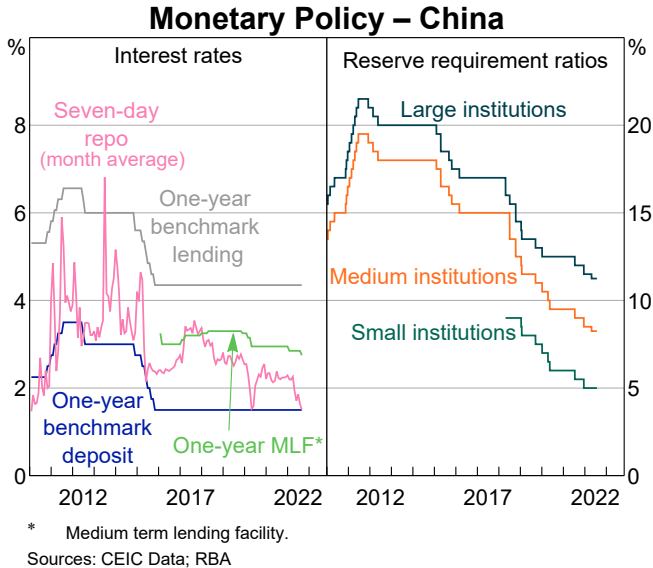
Sources: ABS; AFMA; ASX; RBA

Policy Interest Rates – Selected Advanced Economies

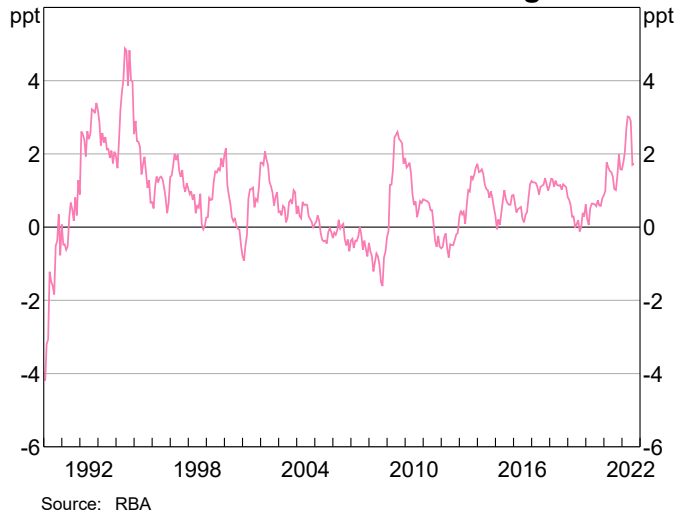


Source: Central banks

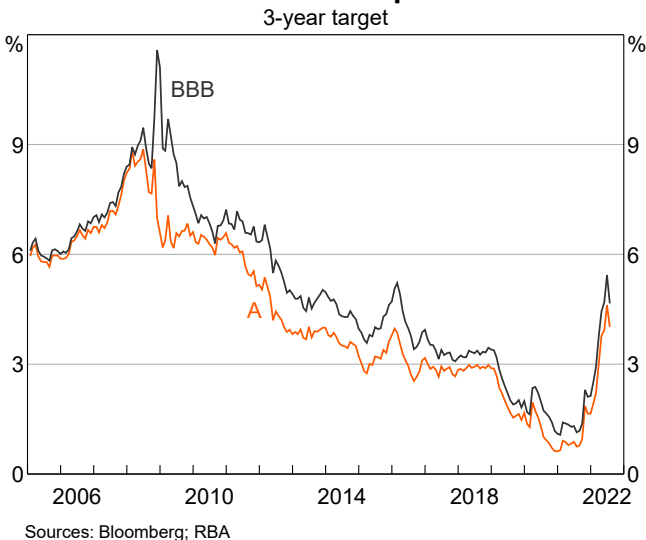




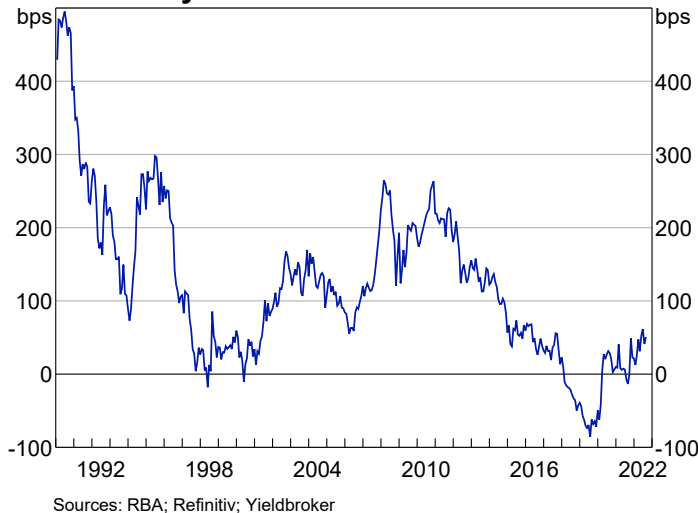
Spread between Australian 10-year Bond Yield and the Cash Rate Target



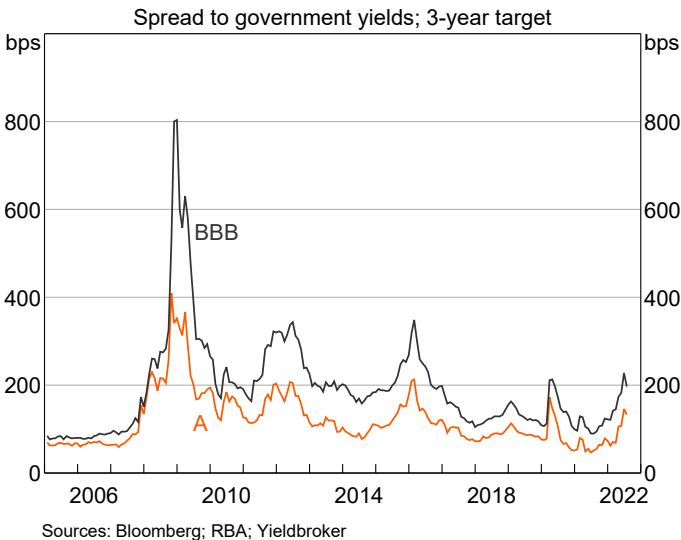
Australian Non-financial Corporate Bond Yields

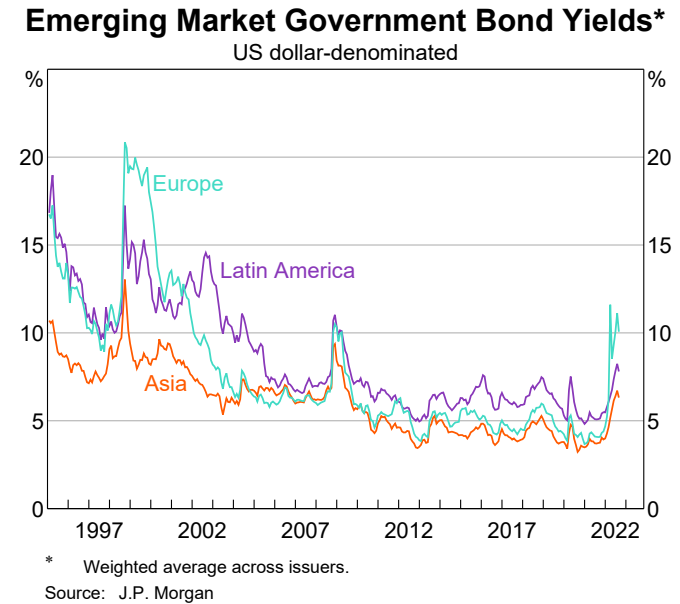
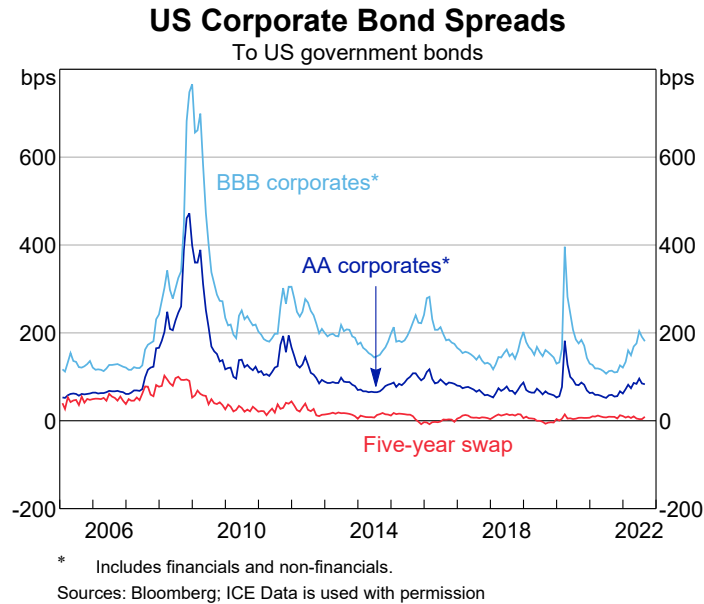
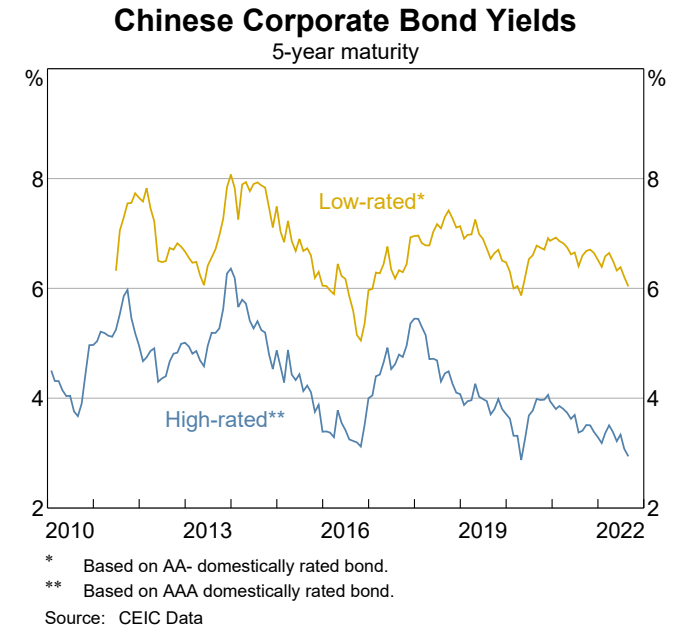
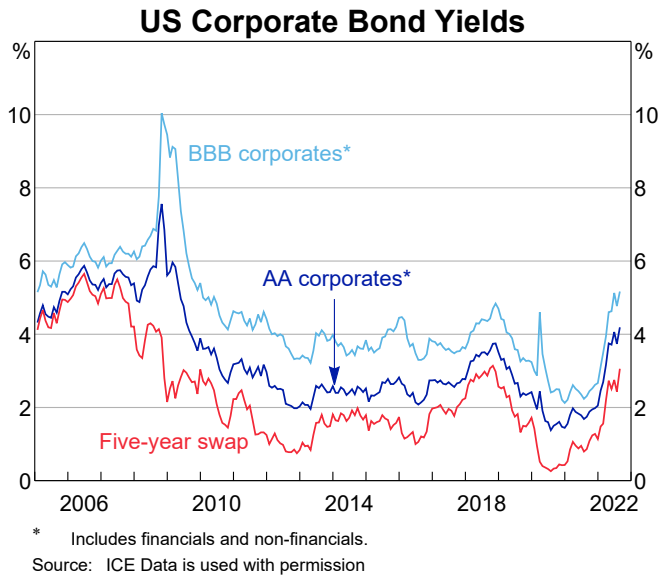


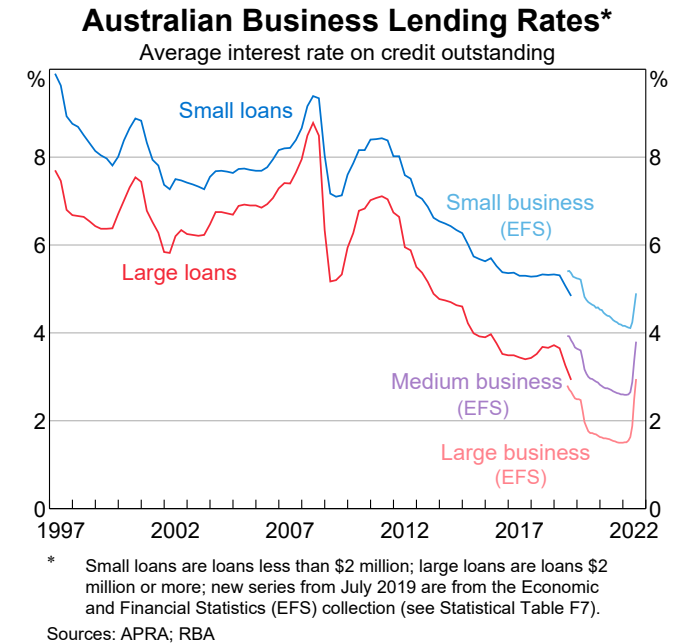
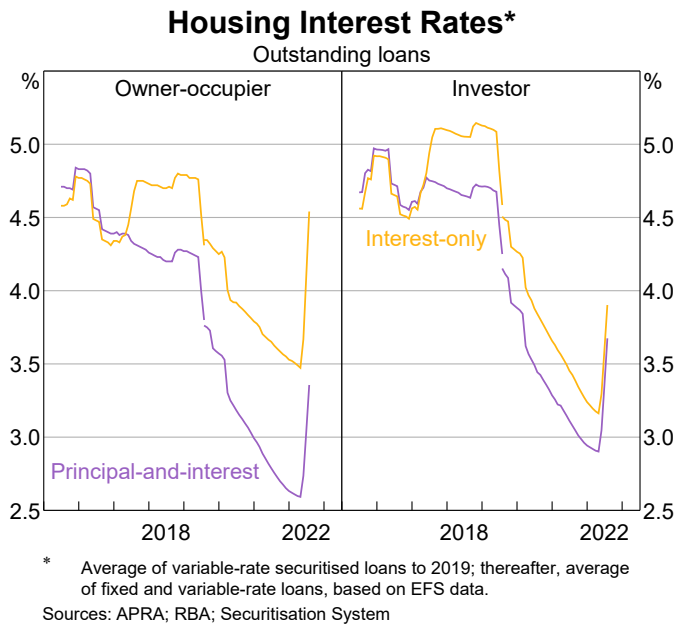
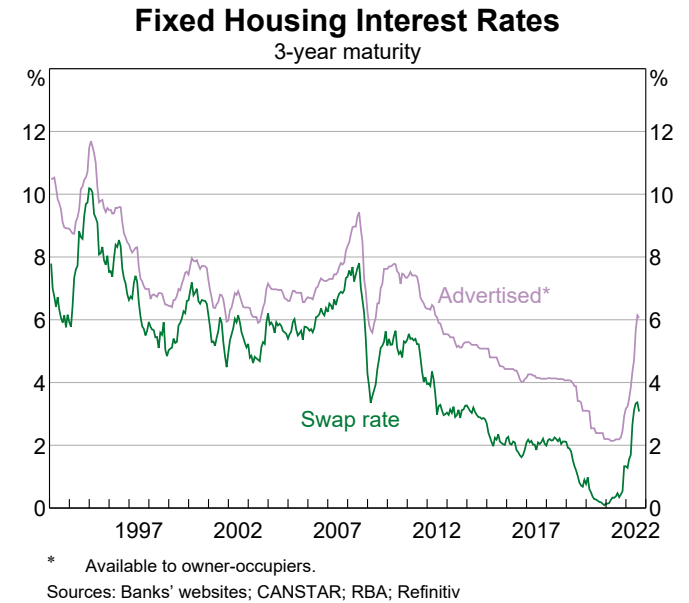
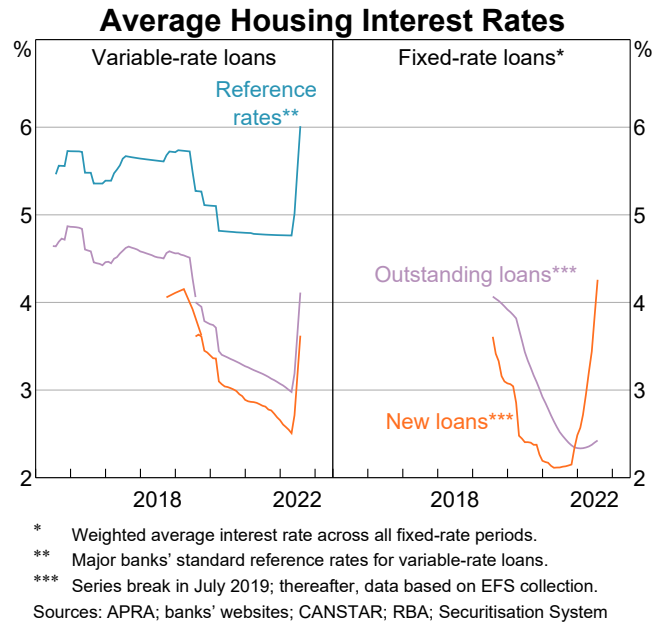
Differential between Australian and US 10-year Government Bond Yields



Australian Non-financial Corporate Bond Spreads







Share Price Accumulation Indices

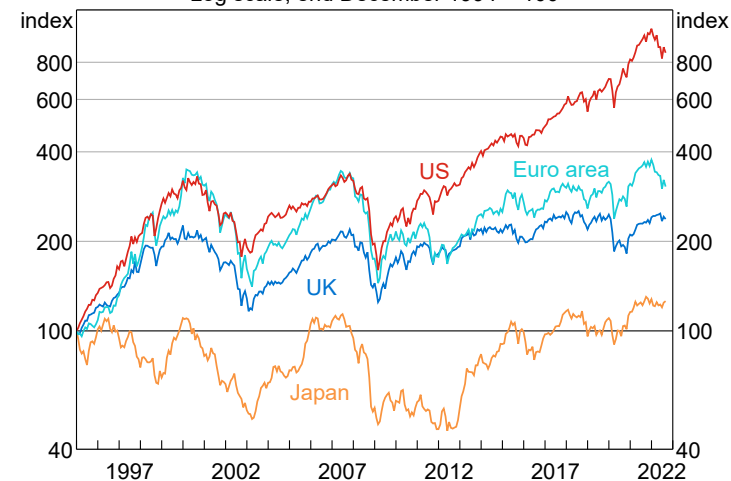
Log scale, end December 1994 = 100



Sources: Bloomberg; RBA

Advanced Economies' Share Price Indices

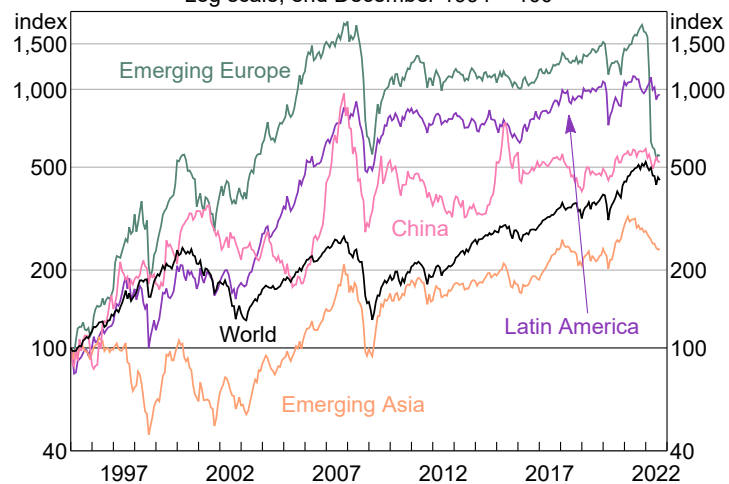
Log scale, end December 1994 = 100



Sources: Bloomberg; RBA

Emerging Markets' Share Price Indices*

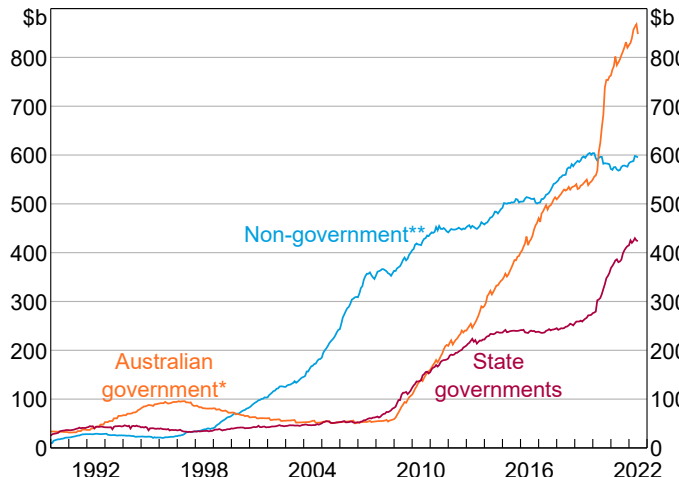
Log scale, end December 1994 = 100



* MSCI indices; Shanghai Composite Index for China.

Sources: Bloomberg; MSCI; RBA

Bonds on Issue in Australia



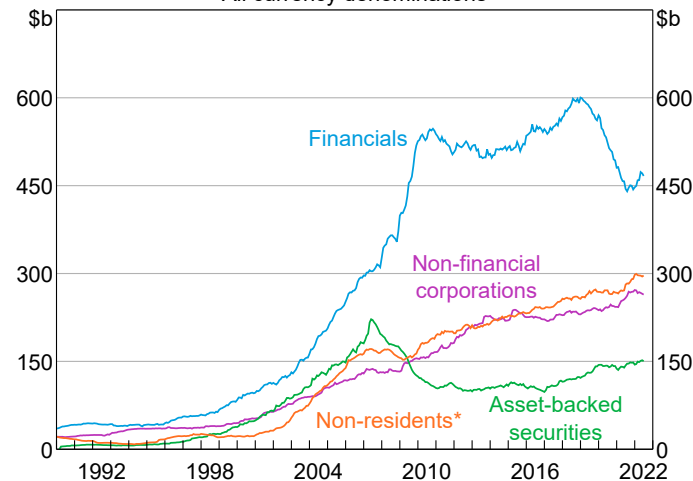
* Excludes bonds purchased by the Australian Government.

** Excludes ADIs' self-securitisations, includes government-guaranteed bonds.

Sources: ABS; AOFM; Bloomberg; KangaNews; Private Placement Monitor; RBA; State Treasury Corporations

Total Non-government Bonds on Issue

All currency denominations

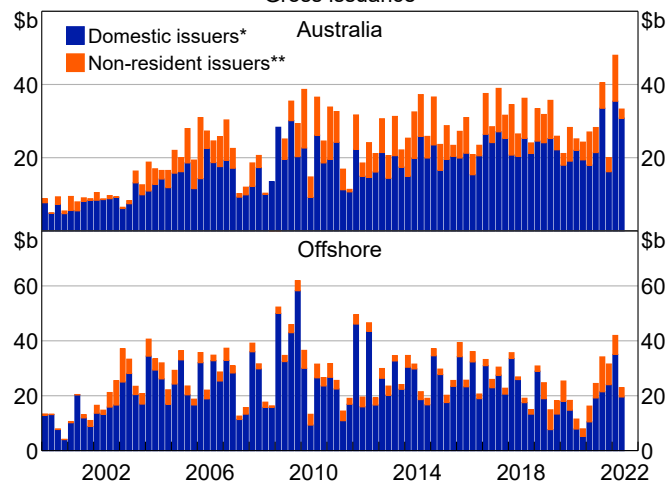


* Australian dollar-denominated bonds only.

Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

Non-government Bond Issuance

Gross issuance

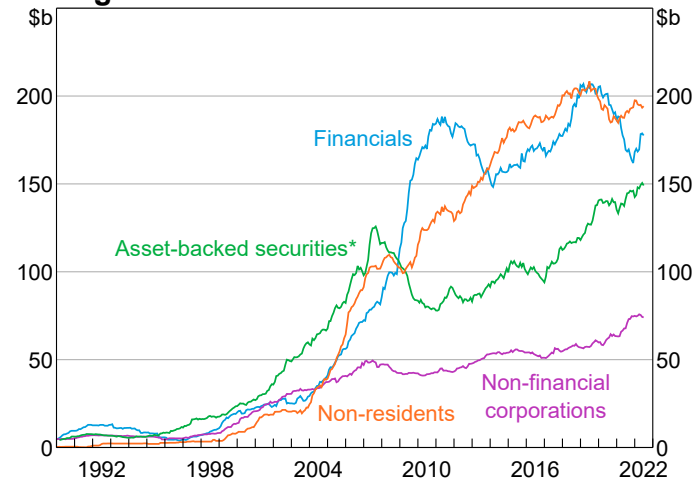


* Excludes ADIs' self-securitisations.

** Offshore non-resident issuance includes Australian dollar-denominated bonds only.

Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA

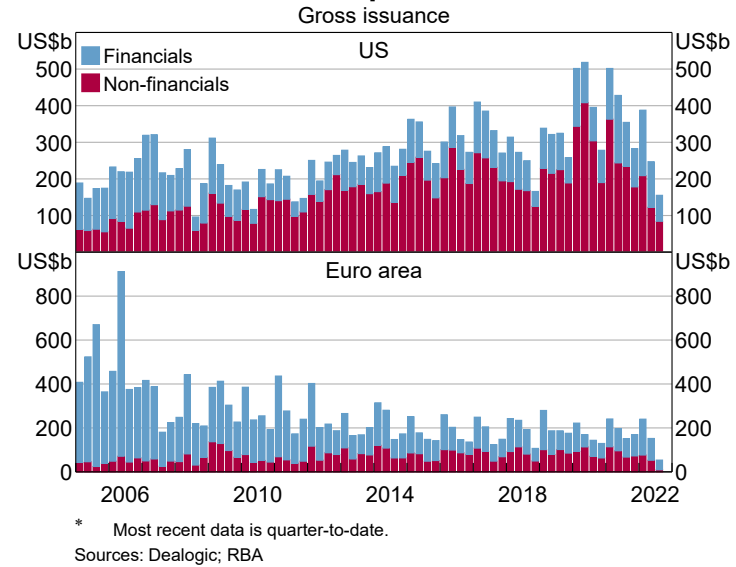
Non-government Bonds on Issue in Australia



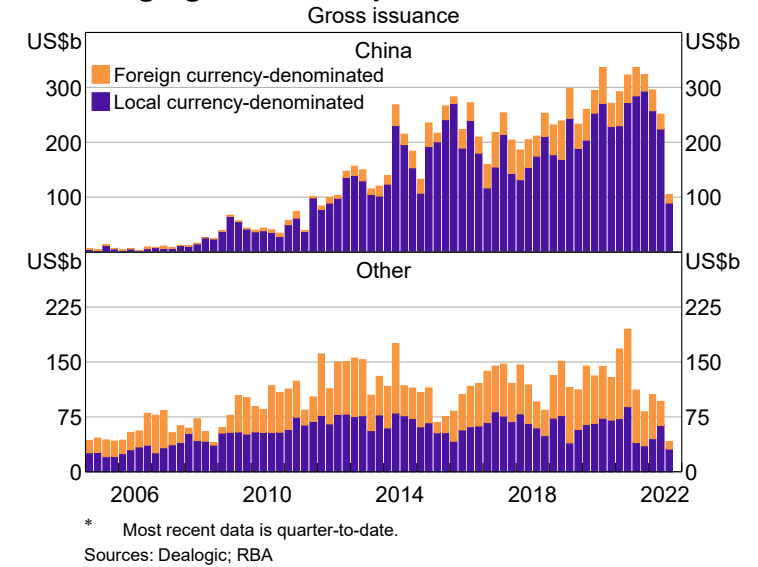
* Excludes ADIs' self-securitisations.

Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

US and Euro Area Corporate Bond Issuance*

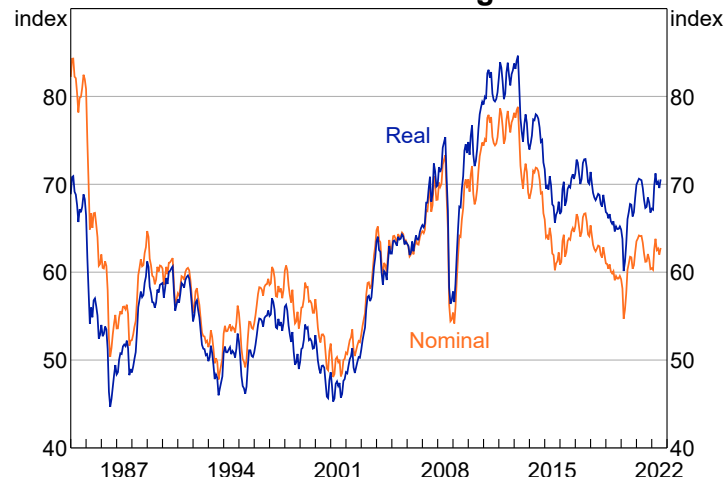


Emerging Market Corporate Bond Issuance*



Exchange Rates

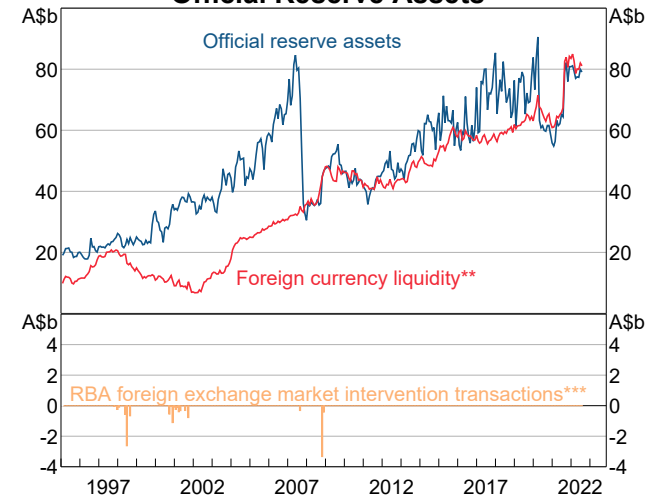
Australian Dollar Trade-weighted Index*



* May 1970 = 100 for nominal; real indexed to equate post-float averages; latest observations for real TWI are estimates.

Sources: ABS; RBA; Refinitiv; WM/Reuters

Official Reserve Assets*



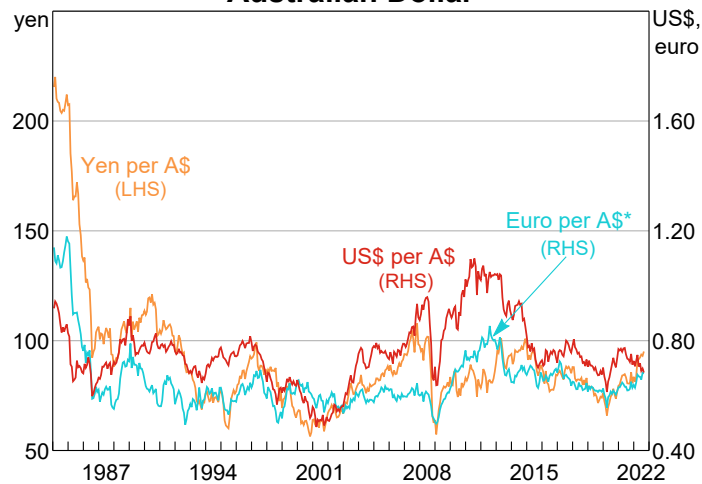
* The reporting methodology for official reserve asset data changes in 2015.

** Excludes net forward foreign currency commitments.

*** Data up to 30 June 2019; a positive value indicates a purchase of foreign exchange, while a negative value indicates a sale of foreign exchange.

Source: RBA

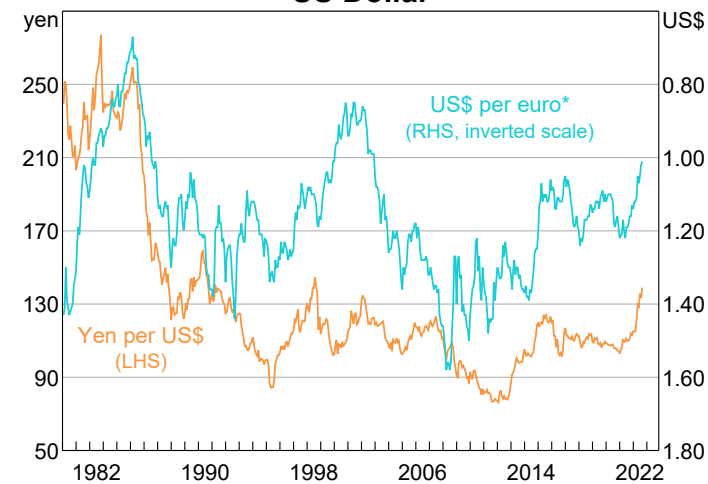
Australian Dollar



* ECU per A\$ until 31 December 1998.

Source: Bloomberg

US Dollar



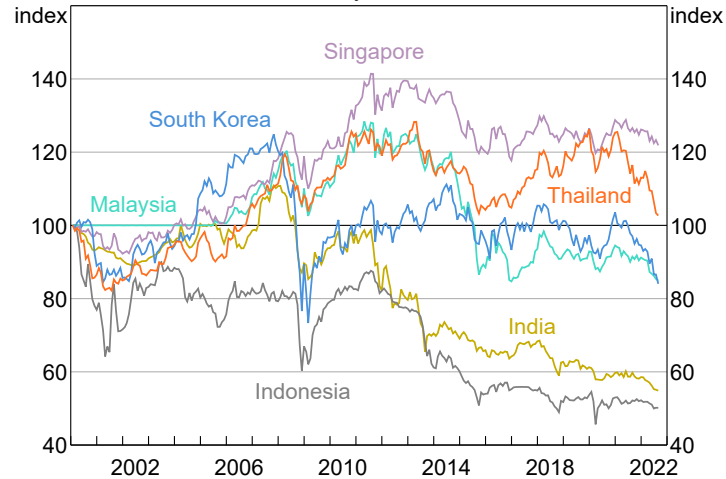
* US\$ per ECU until 31 December 1998.

Sources: Bloomberg; Eurostat



Selected Asian Currencies against the US Dollar

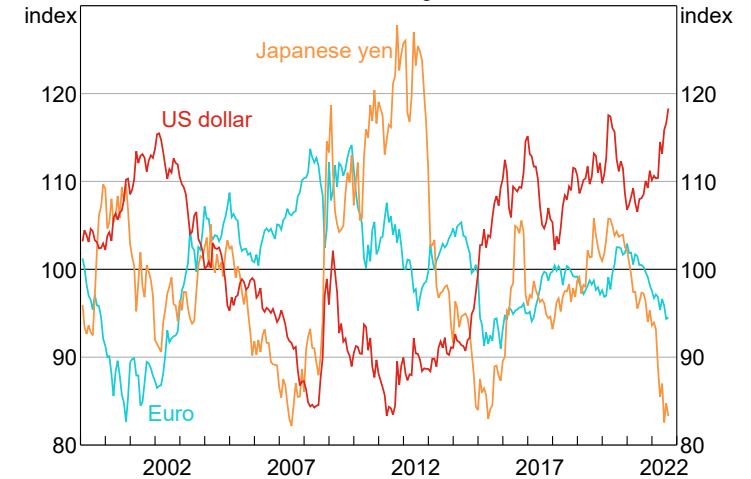
31 January 2000 = 100



Source: Bloomberg

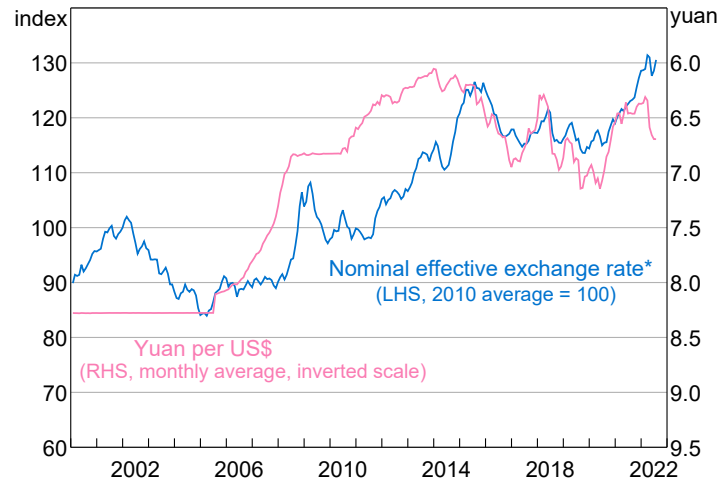
G3 Nominal Trade-weighted Indices

1999–2020 average = 100



Sources: BIS; Bloomberg; Board of Governors of the Federal Reserve System

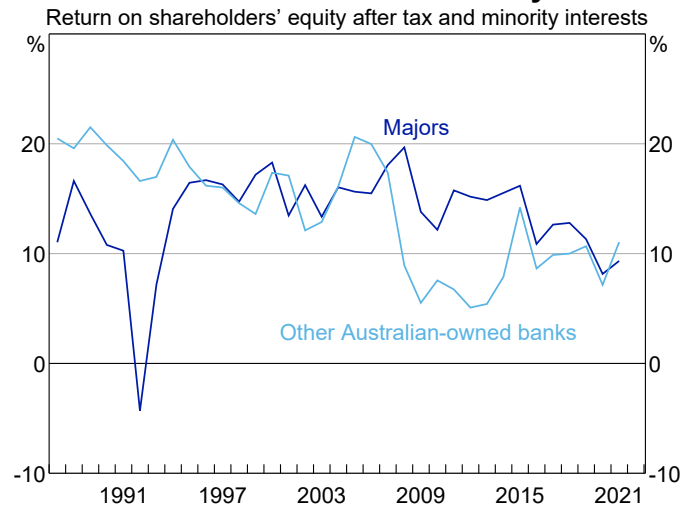
Chinese Renminbi



* Monthly average nominal rate calculated using BIS EER weights.

Sources: BIS; Refinitiv

Australian Bank Profitability*



* Fiscal years from 2003 onwards; prior data are as reported in banks' financial statements

Sources: APRA; Banks' annual reports; RBA

Major Banks' Net Interest Margin*

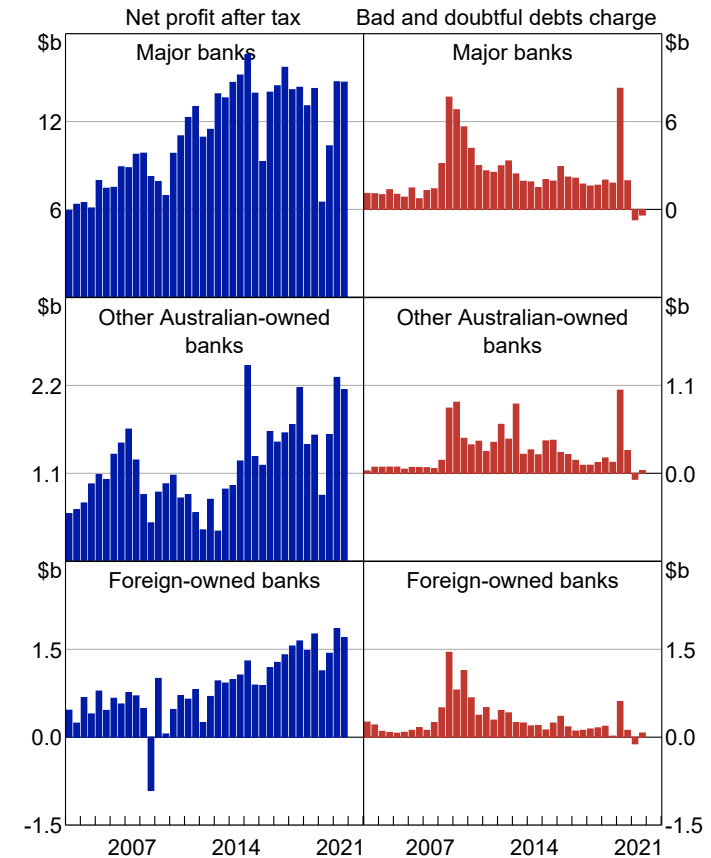
Domestic, half-yearly



* Data for a given period relate to banks' public profit reports released in that half; IFRS basis from 2006, AGAAP prior; excludes St George Bank and Bankwest prior to the first half of 2009.

Sources: Banks' financial reports; RBA

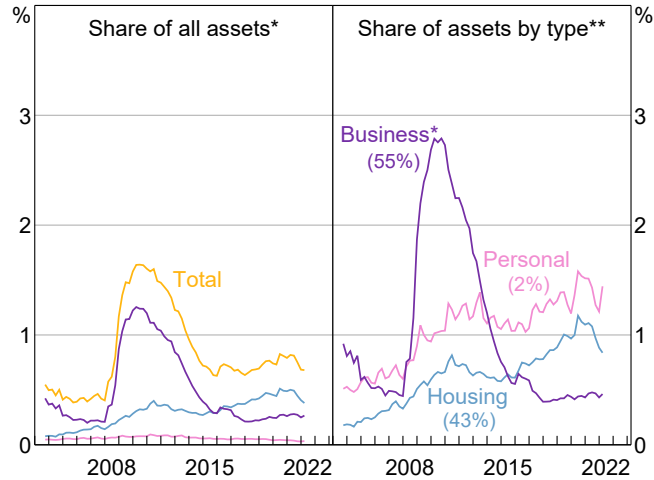
Australian Bank Profits



Sources: APRA; RBA

Non-performing Assets

Domestic books



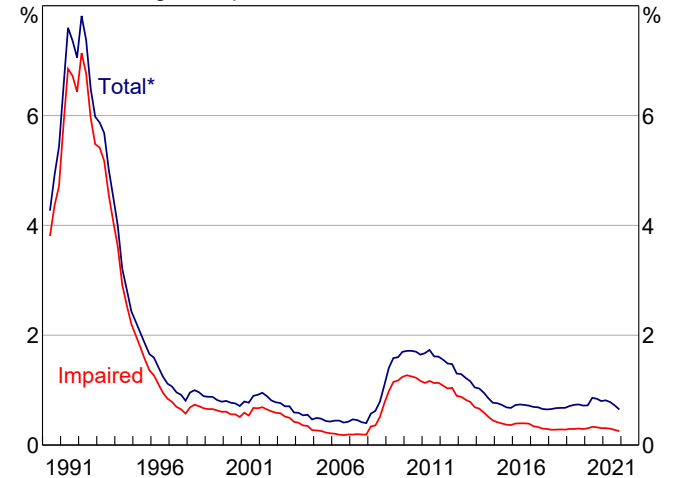
* Includes lending to financial businesses, bills, short-term and long-term debt securities and other non-household loans.

** Share of total domestic lending shown in parentheses.

Sources: APRA; RBA

Banks' Non-performing Assets

Consolidated global operations, share of on-balance sheet assets

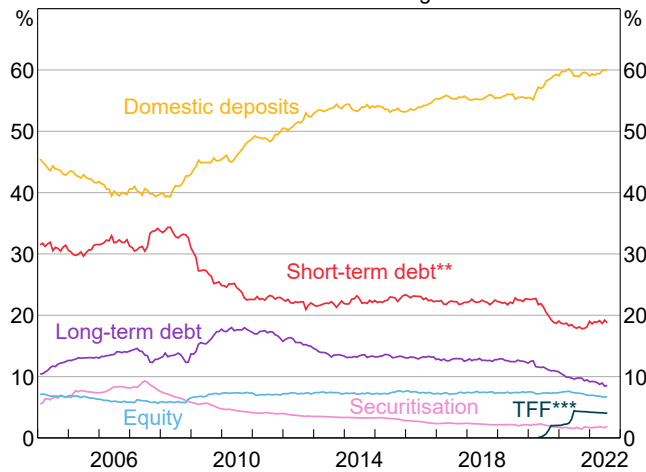


* Includes assets 90+ days past due that are well secured

Source: APRA

Funding Composition of Banks in Australia*

Share of total funding



* Adjusted for movements in foreign exchange rates; tenor of debt is estimated on a residual maturity basis.

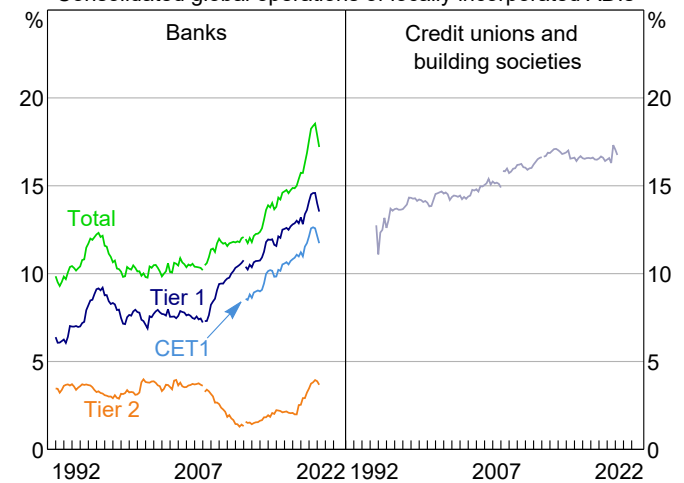
** Includes deposits and intragroup funding from non-residents.

*** Term Funding Facility.

Sources: ABS; APRA; Bloomberg; RBA; Refinitiv; Standard & Poor's

Capital Ratios*

Consolidated global operations of locally incorporated ADIs



* Per cent of risk-weighted assets; break in March 2008 due to the introduction of Basel II for most ADIs; break in March 2013 due to the introduction of Basel III for all ADIs.

Source: APRA

