



The Australian Economy and Financial Markets

Chart Pack | May 2023

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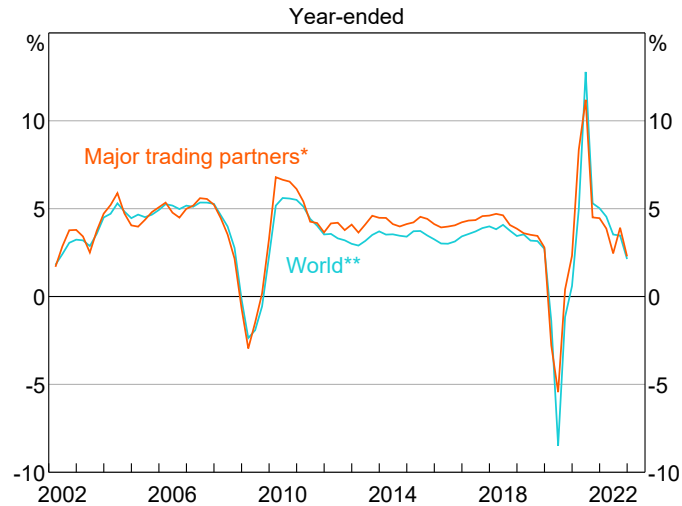
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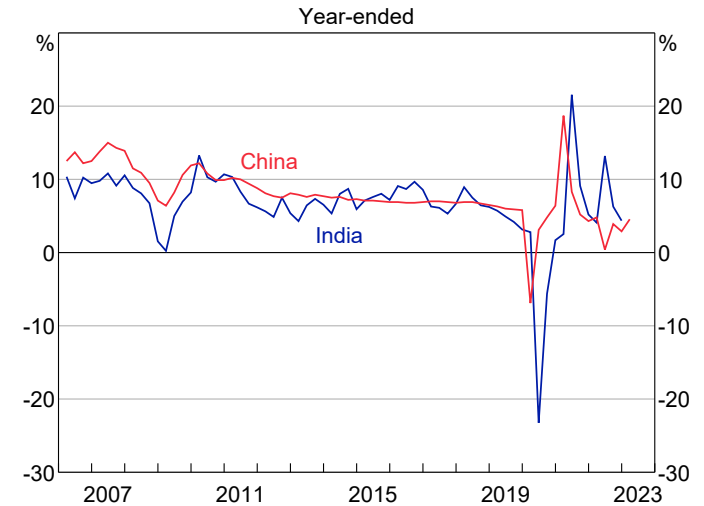
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GDP Growth – World



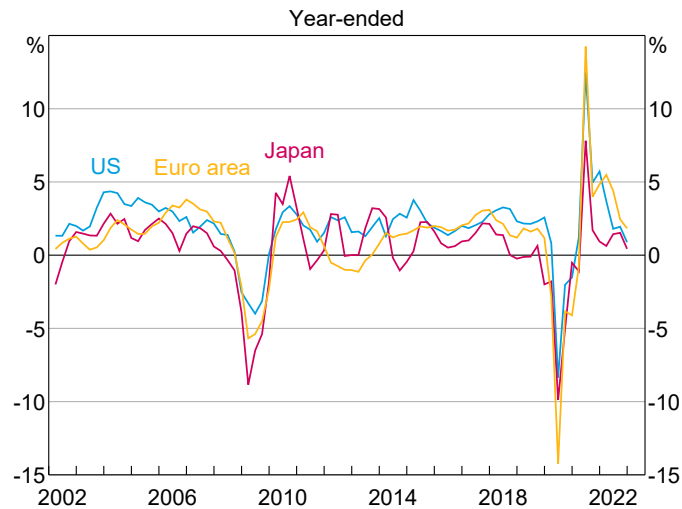
* Weighted using Australian export shares.
 ** PPP-weighted; accounts for 85 per cent of world GDP.
 Sources: ABS; CEIC Data; IMF; RBA; Refinitiv

GDP Growth – China and India



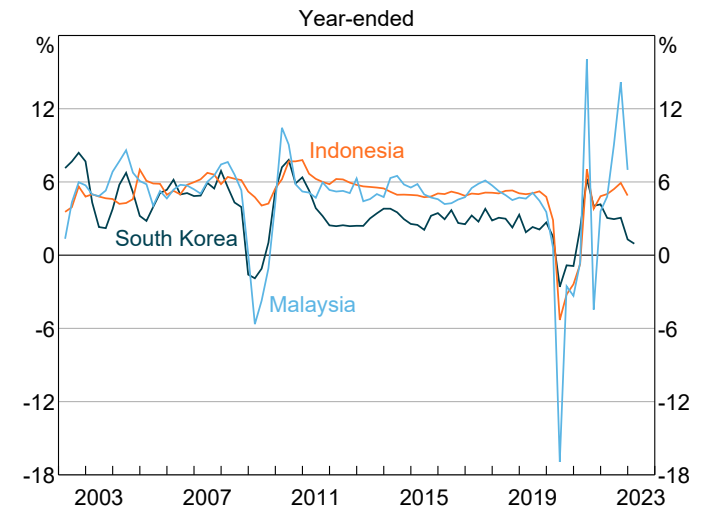
Sources: CEIC Data; RBA

GDP Growth – Advanced Economies



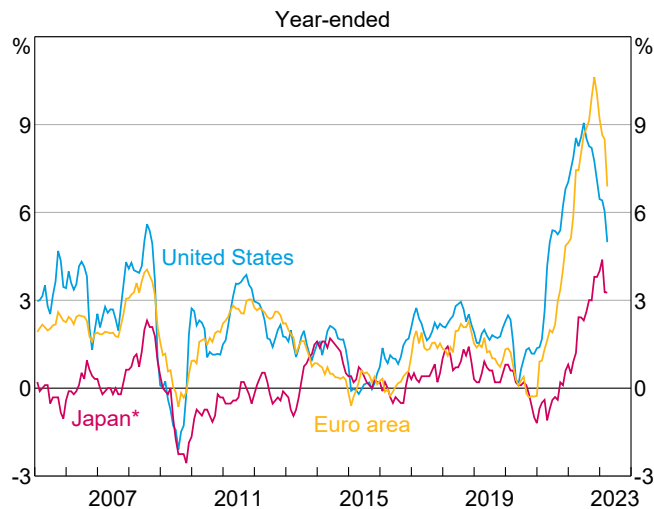
Source: Refinitiv

GDP Growth – East Asia



Sources: CEIC Data; RBA

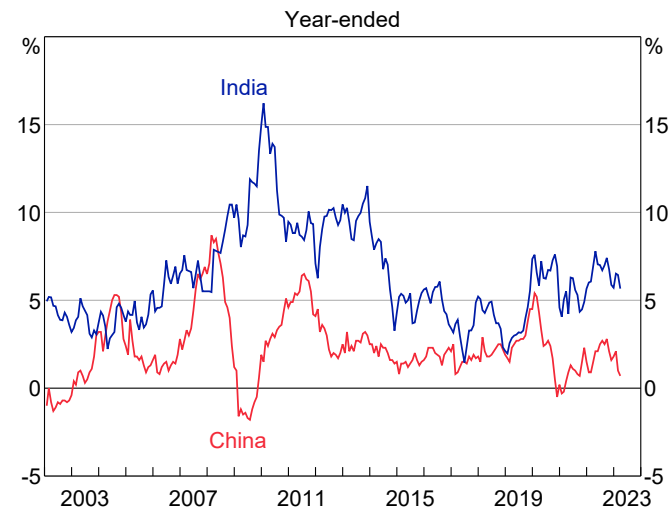
Inflation – Advanced Economies



* Excludes the effects of the consumption tax increase in 2014.

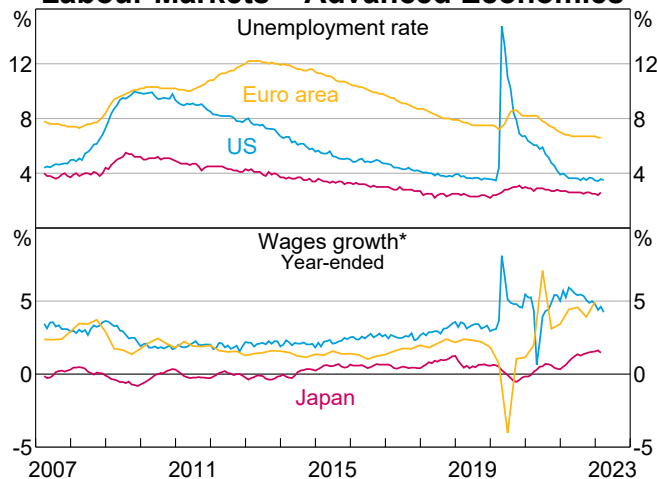
Sources: RBA; Refinitiv

Inflation – China and India



Source: CEIC Data

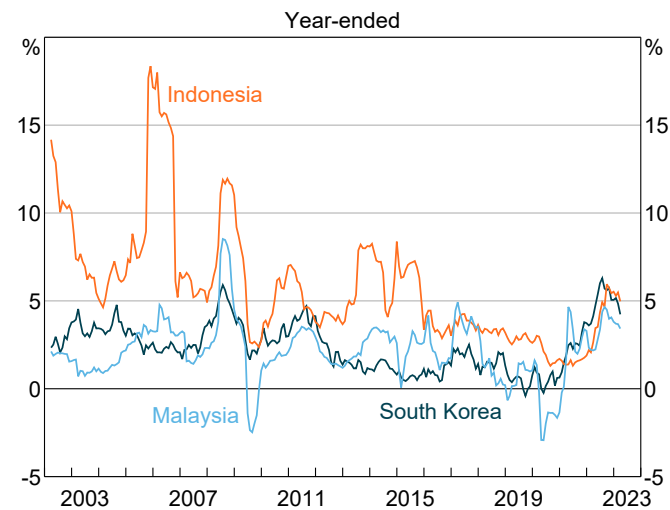
Labour Markets – Advanced Economies



* Average hourly earnings for the US; compensation per employee for the euro area; smoothed full-time base wages for Japan.

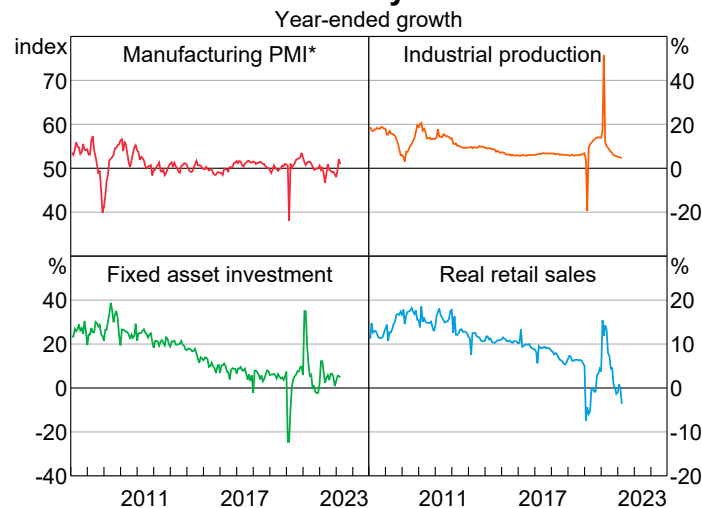
Sources: CEIC Data; RBA; Refinitiv

Inflation – East Asia



Sources: CEIC Data; RBA; Refinitiv

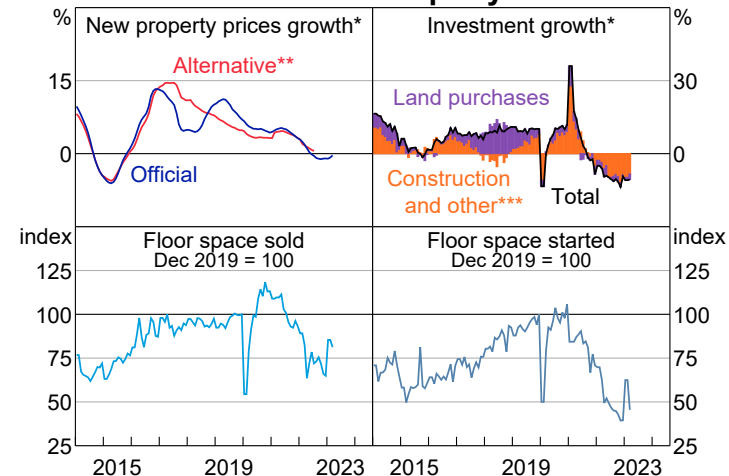
China – Activity Indicators



* Diffusion index; average of the official and Caixin.

Sources: CEIC Data; Markit Economics; RBA

China – Residential Property Indicators



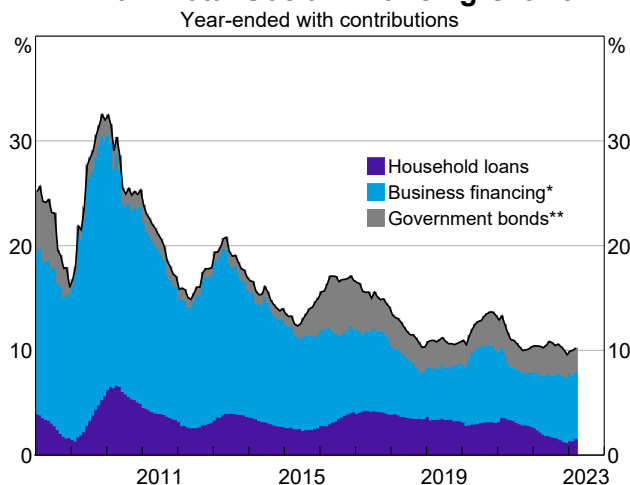
* Year-ended.

** China Index Academy.

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

Sources: CEIC Data; CIA; RBA

China – Total Social Financing Growth

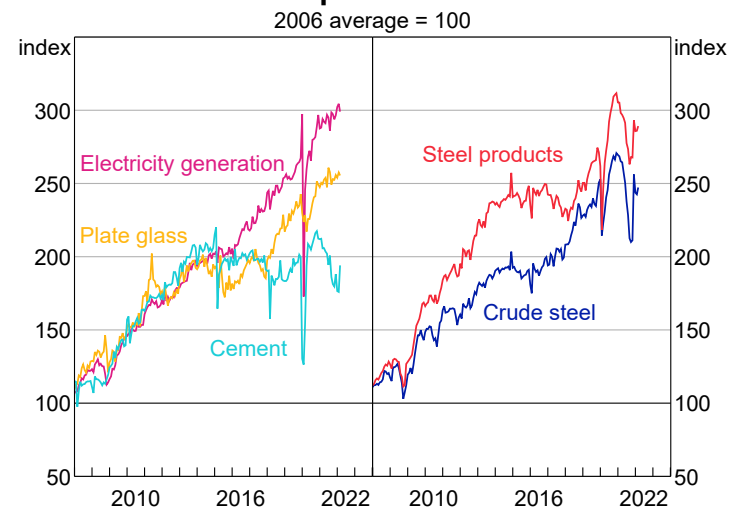


* Sum of business loans, securities financing and off-balance sheet financing.

** 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.

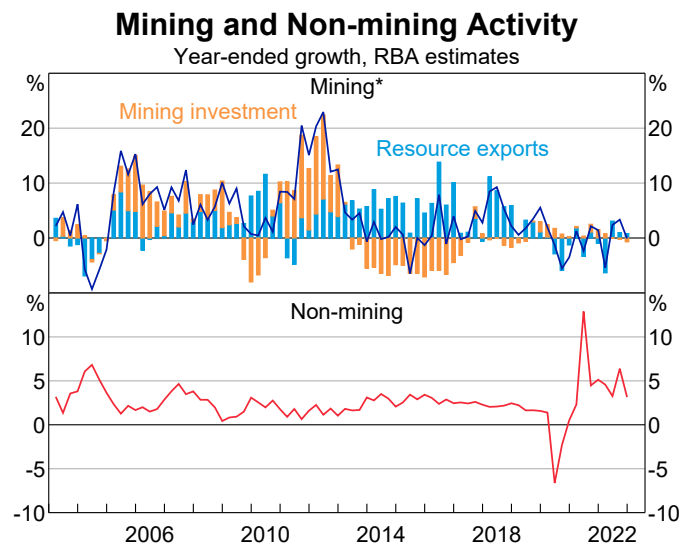
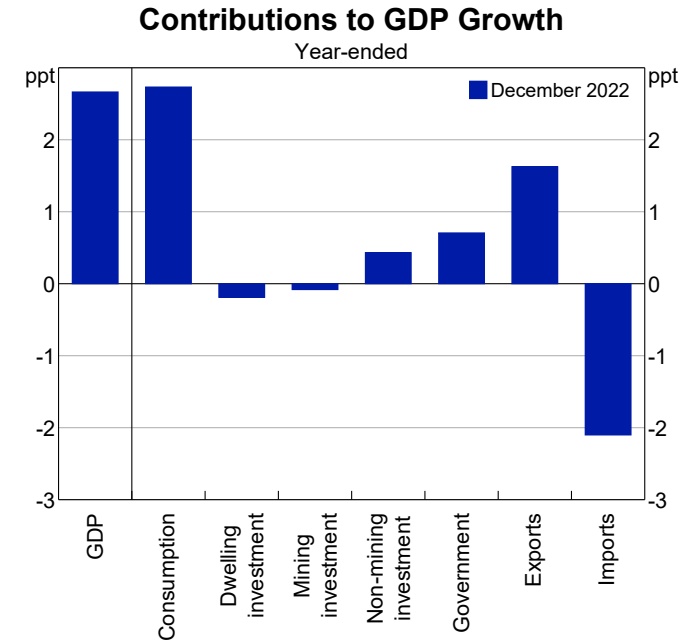
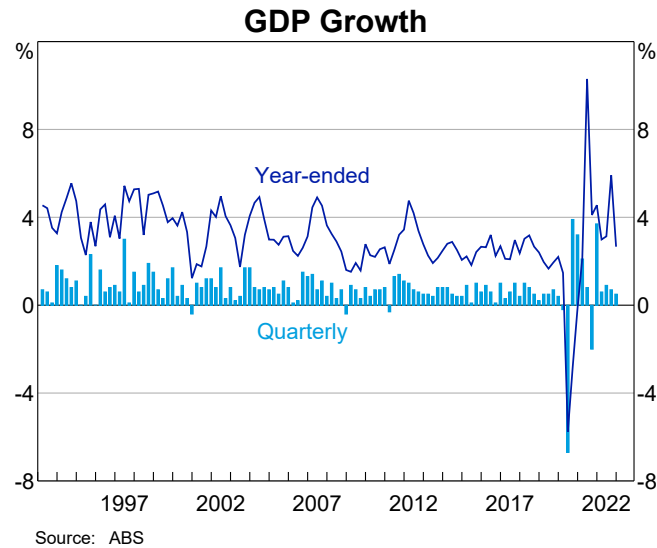
Sources: CEIC Data; RBA

China – Gross Output of Selected Products*



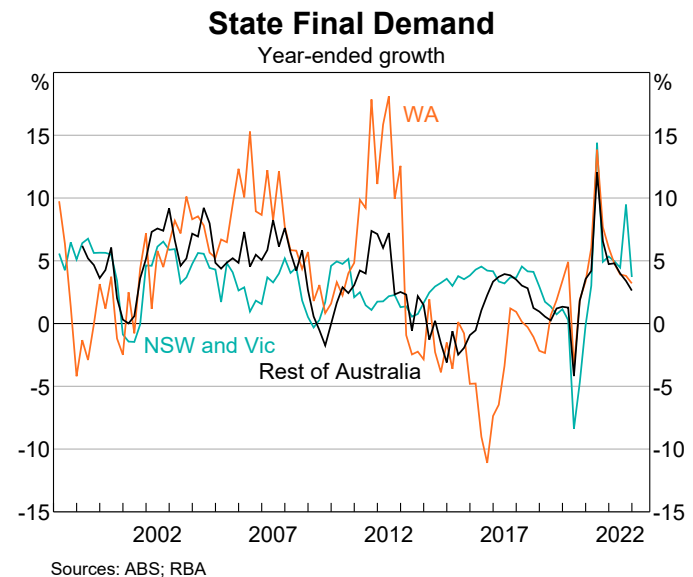
* Seasonally adjusted by the RBA.

Sources: CEIC Data; RBA

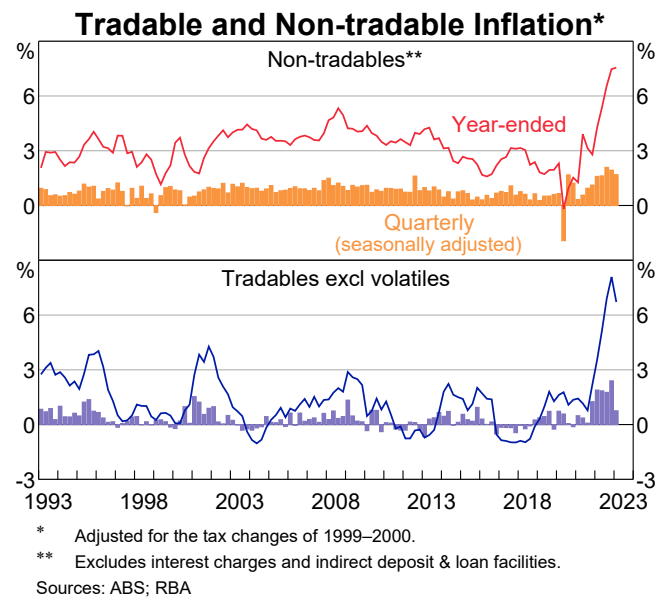
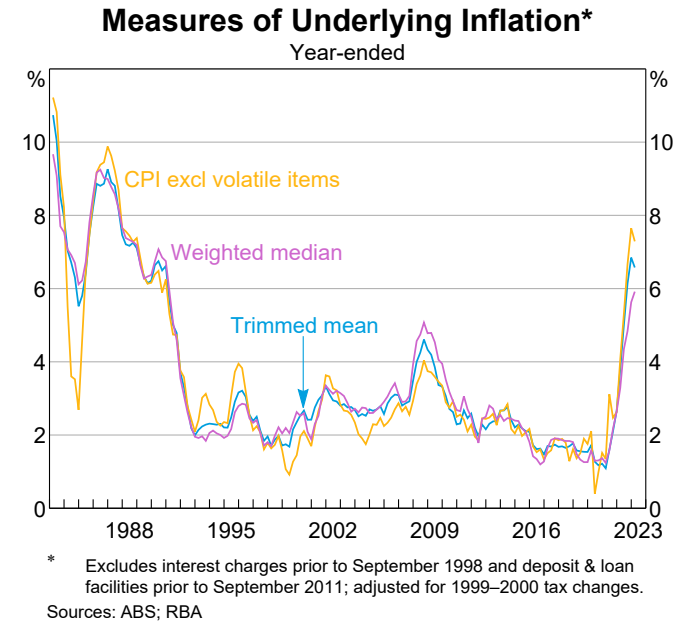
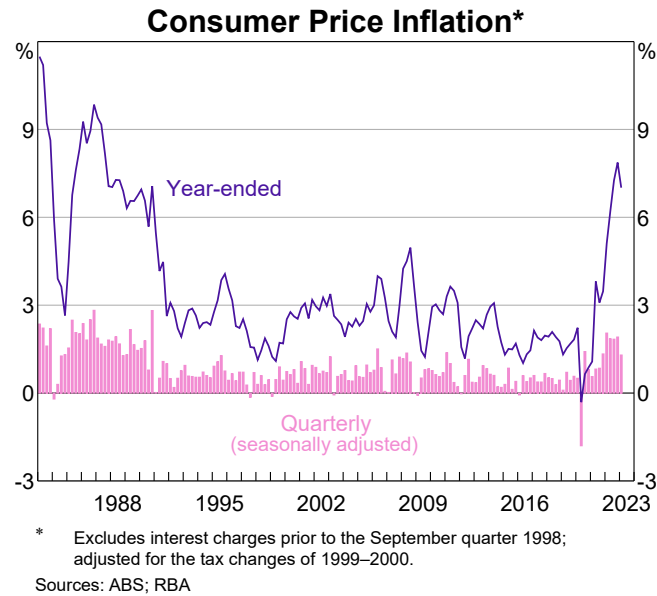


* Net of mining-related imports; components are contributions to year-ended mining activity growth; contribution from changes in inventories not shown.

Sources: ABS; RBA

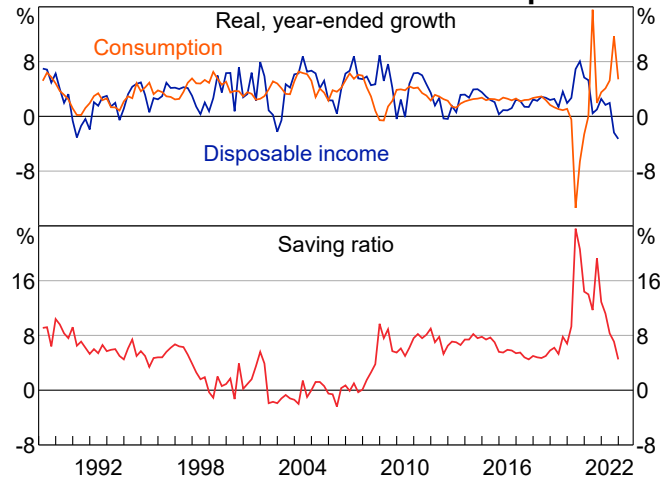


Australian Inflation



Household Sector

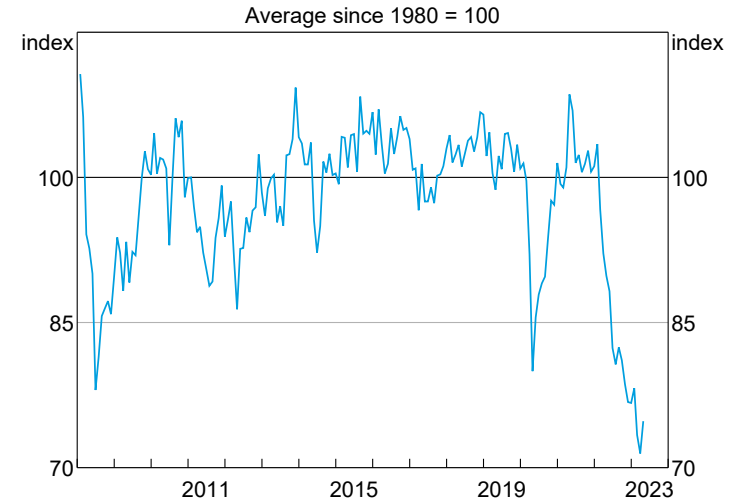
Household Income and Consumption*



* 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

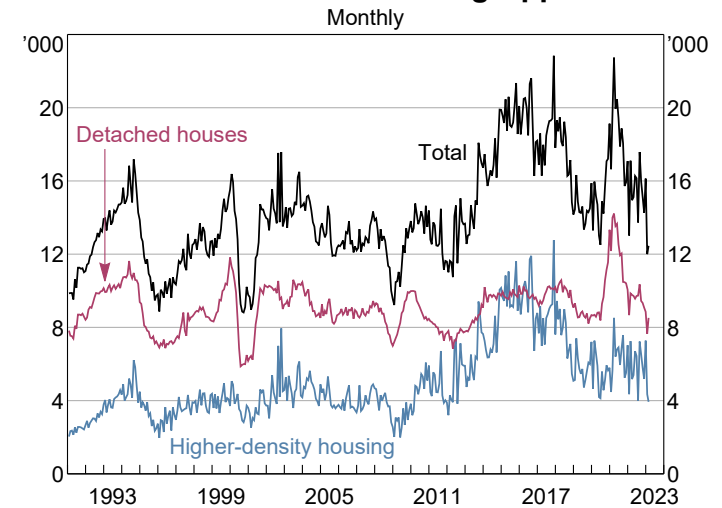
Private Dwelling Investment*



* Reference year is 2020/21.

Source: ABS

Private Residential Building Approvals

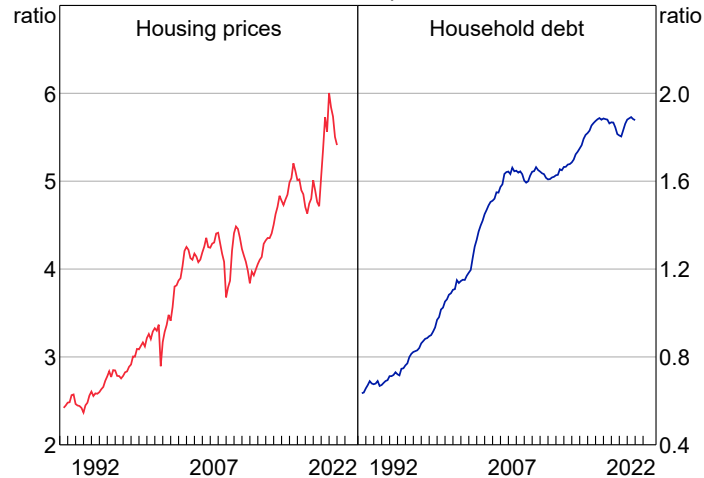


Source: ABS



Housing Prices and Household Debt*

Ratio to household disposable income

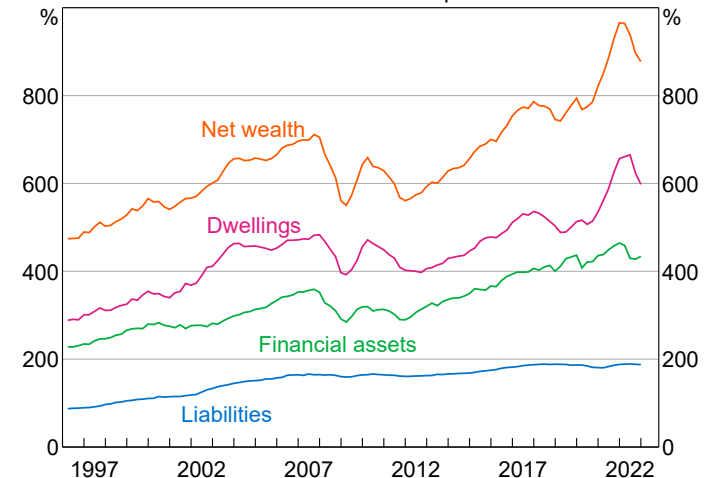


* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

Sources: ABS; CoreLogic; RBA

Household Wealth and Liabilities*

Per cent of annual household disposable income

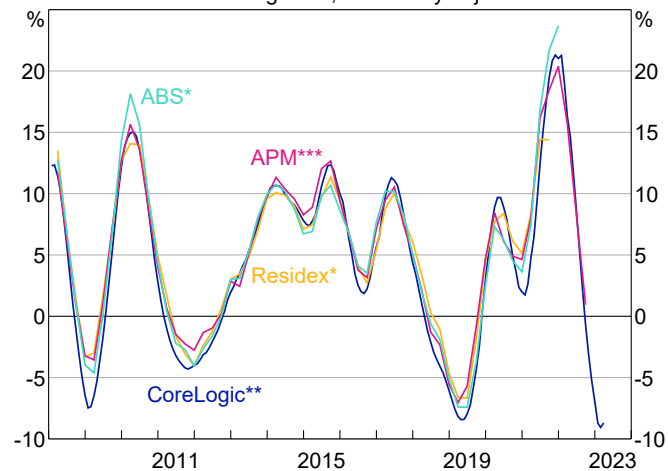


* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.

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.

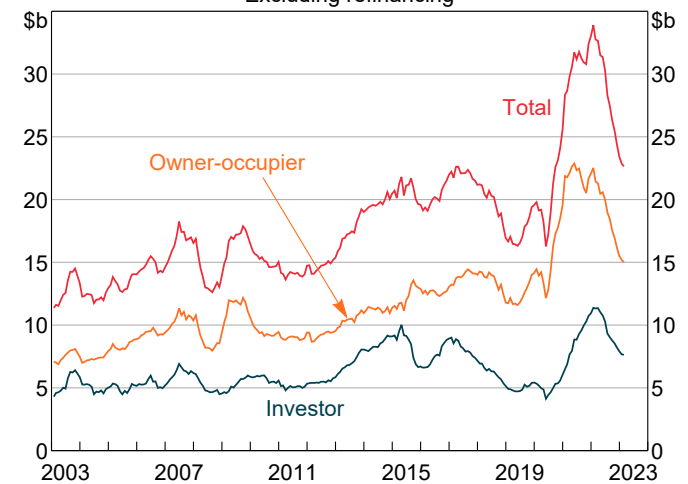
** Monthly hedonic price index; non-seasonally adjusted.

*** Quarterly stratified median price index.

Sources: ABS; APM; CoreLogic; RBA; Residex

Housing Loan Commitments*

Excluding refinancing

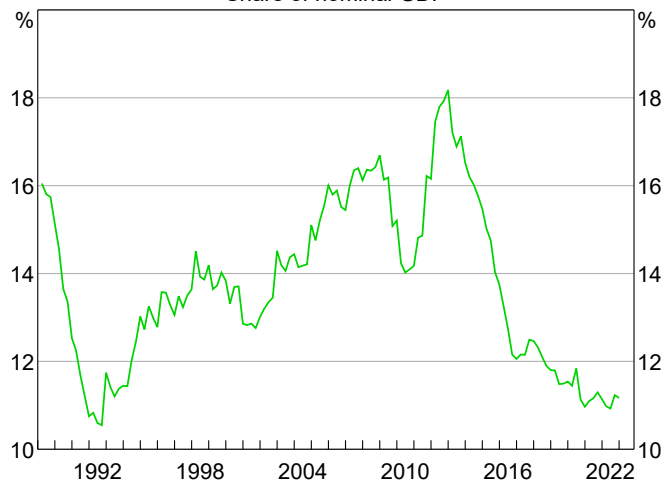


* Seasonally adjusted.

Sources: ABS; RBA

Business Investment*

Share of nominal GDP

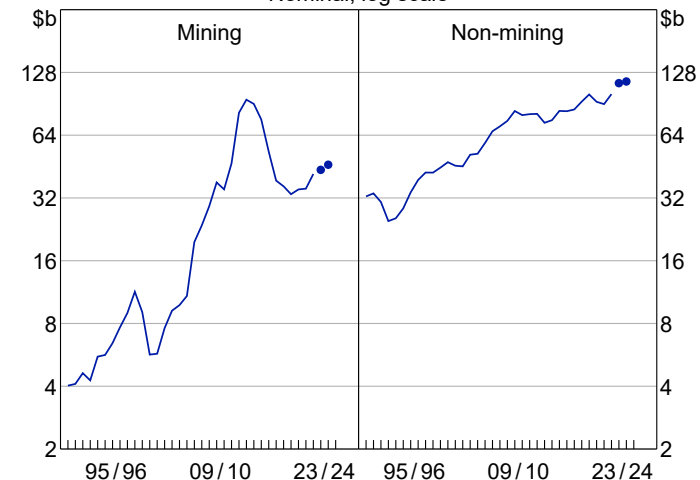


* Adjusted for second-hand asset transfers between the private and other sectors.

Source: ABS

Capital Expenditure – Mining and Non-mining*

Nominal, log scale

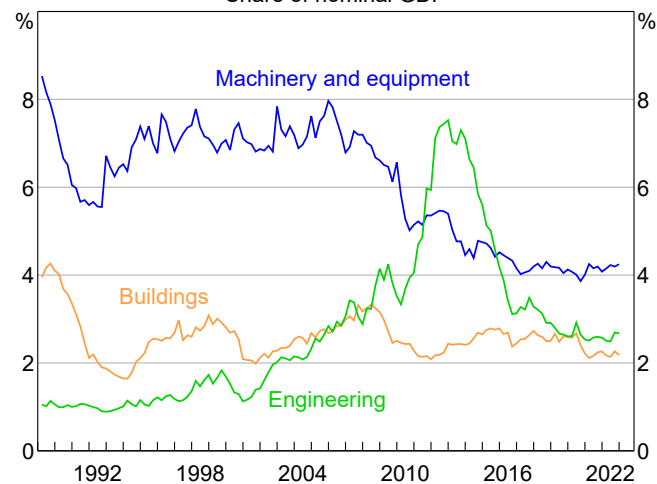


* Dots are firms' expectations for 2022/23 and 2023/24; adjusted for historical differences between expected and realised spending.

Sources: ABS; RBA

Business Investment Components*

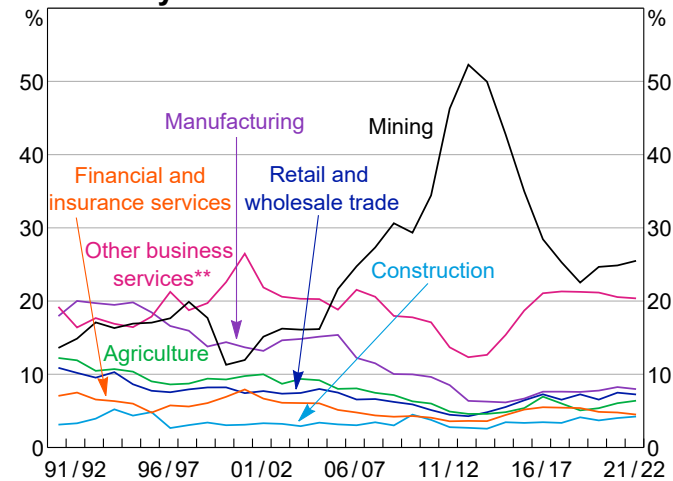
Share of nominal GDP



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

Source: ABS

Industry Share of Business Investment*



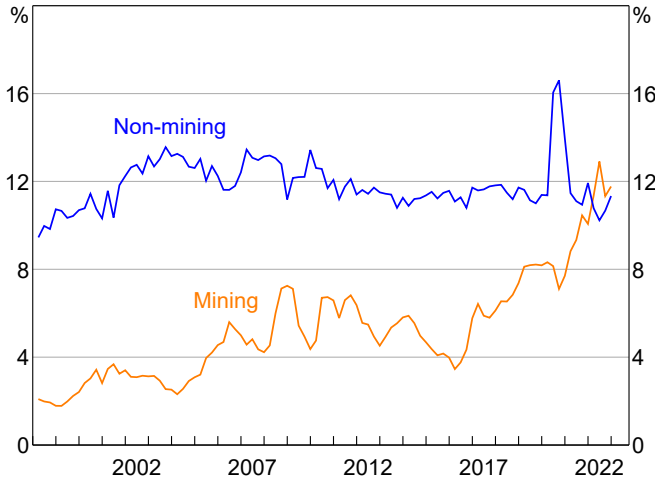
* Nominal; includes second hand asset transfers.

** 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

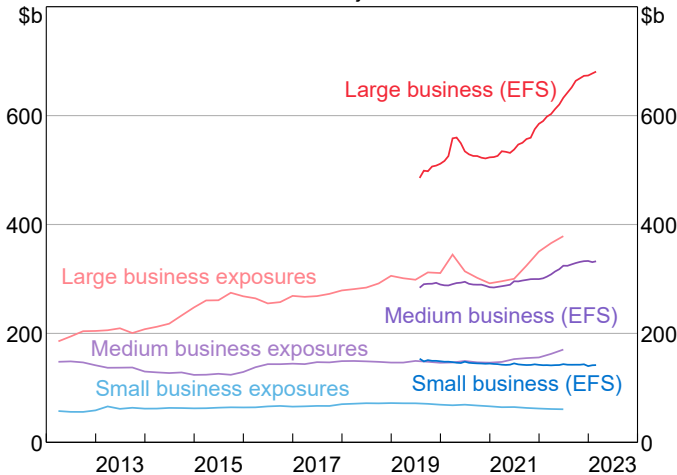


* Gross operating profits; inventory valuation adjusted.

Sources: ABS; RBA

Lending to Businesses*

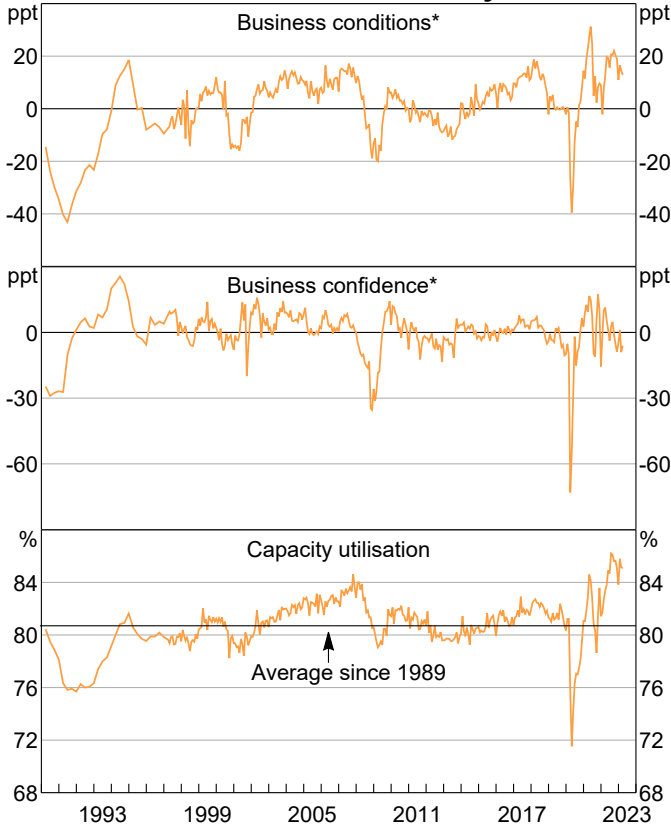
Break-adjusted



* 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



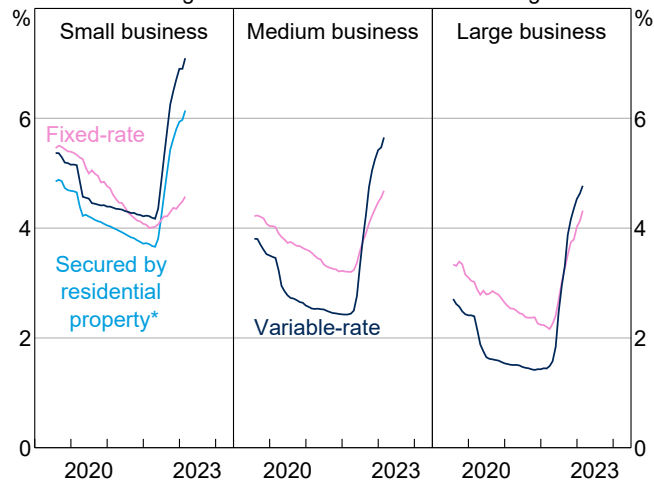
* Net balance; deviation from average since 1989.

Sources: NAB; RBA



Business Lending Rates

Average interest rate on credit outstanding

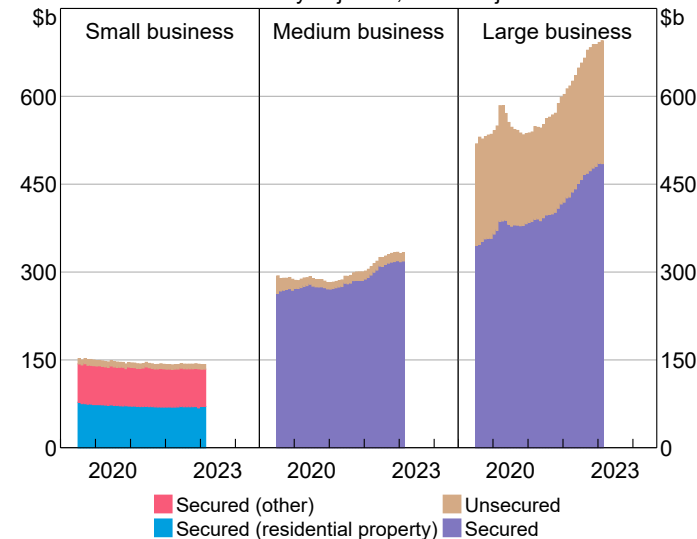


* Small business loans secured by residential property can have fixed or variable interest rate terms and are included in the fixed-rate and variable-rate lines.

Sources: APRA; RBA

Lending to Businesses

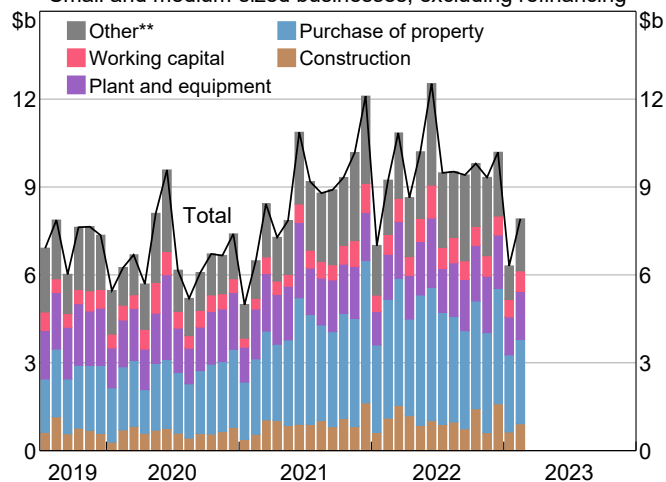
Not seasonally adjusted, break-adjusted



Sources: APRA; RBA

Business Loan Commitments*

Small and medium-sized businesses, excluding refinancing



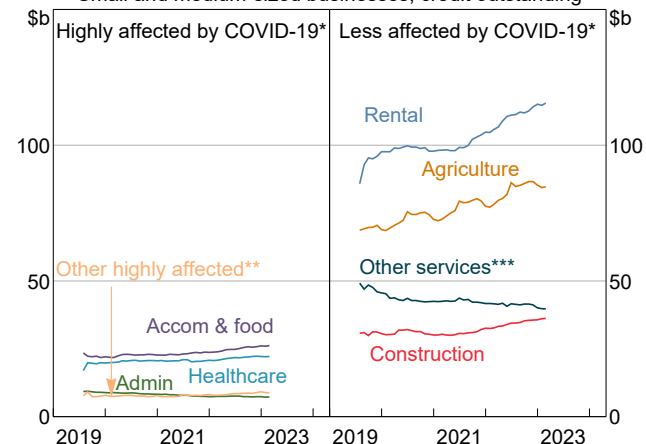
* Fixed-term loans; not seasonally adjusted.

** Wholesale finance, acquisitions and general business purposes.

Sources: APRA; RBA

Lending to Selected Industries

Small and medium-sized businesses, credit outstanding



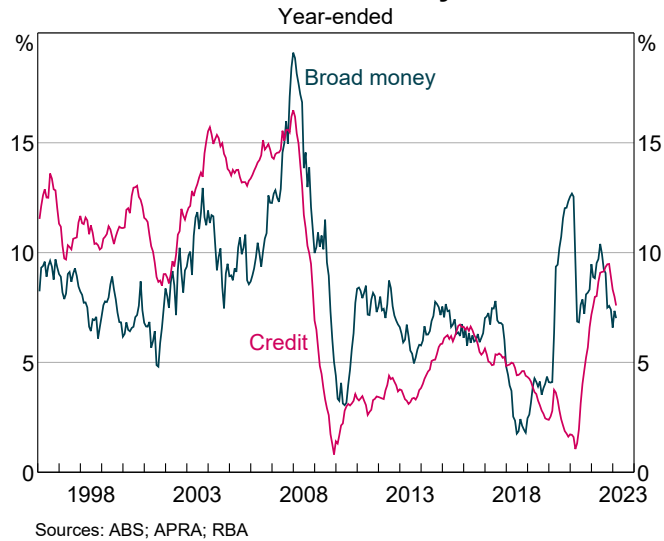
* Highly affected industries had the highest share of businesses report a fall in revenue of greater than 50 per cent in a June 2020 ABS survey; less affected industries are the top four by value of SME lending.

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

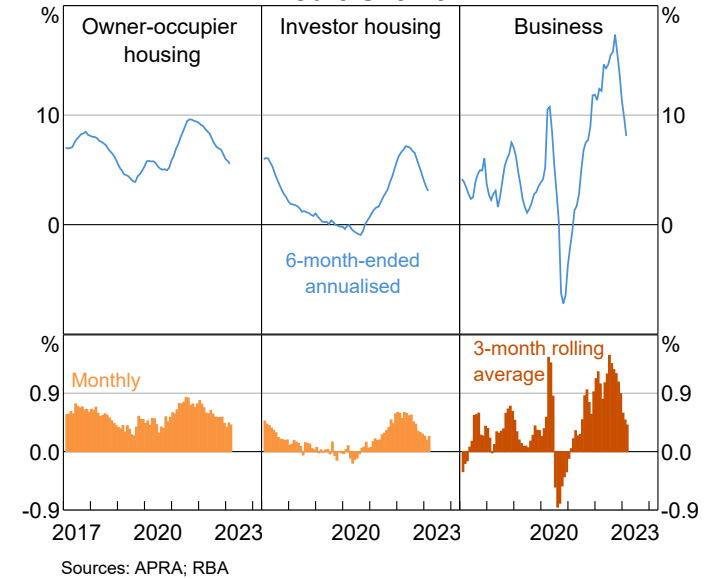
*** Other services includes a broad range of personal services, selected repair and maintenance activities and households employing staff.

Sources: APRA; RBA

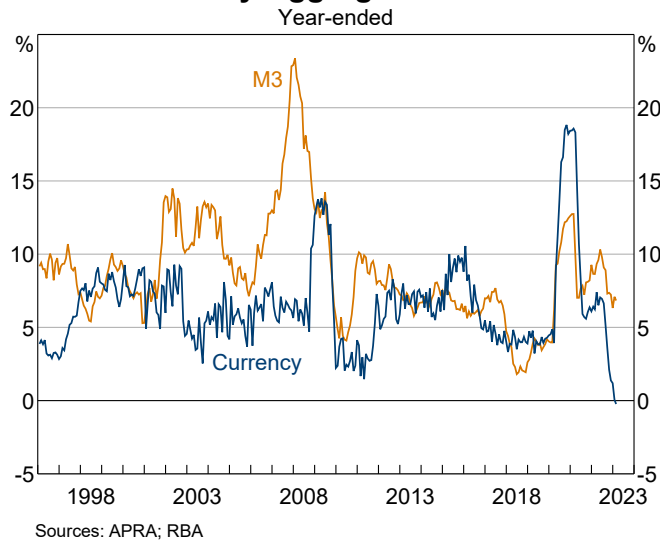
Credit and Broad Money Growth



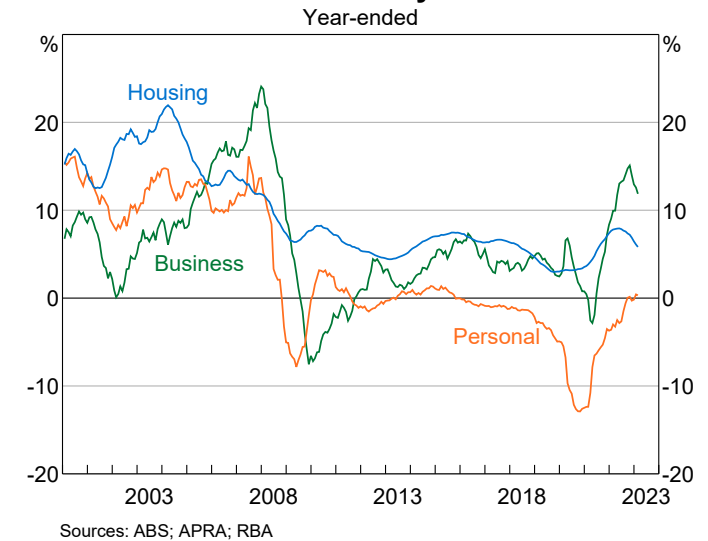
Credit Growth



Monetary Aggregates Growth



Credit Growth by Sector

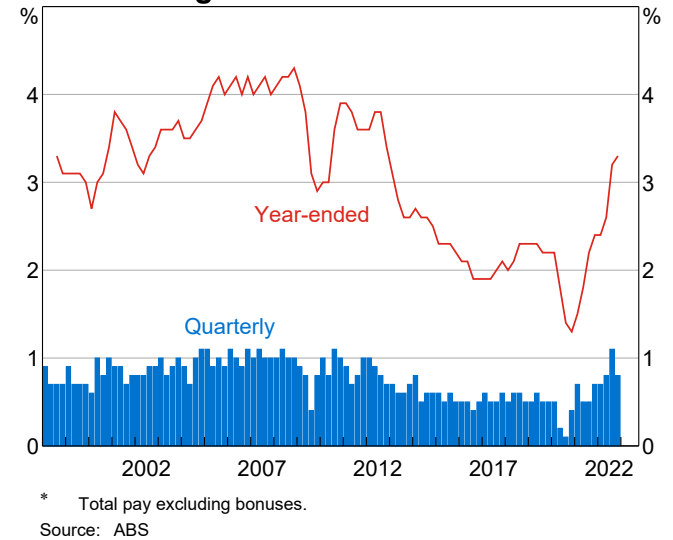


Factors of Production and Labour Market

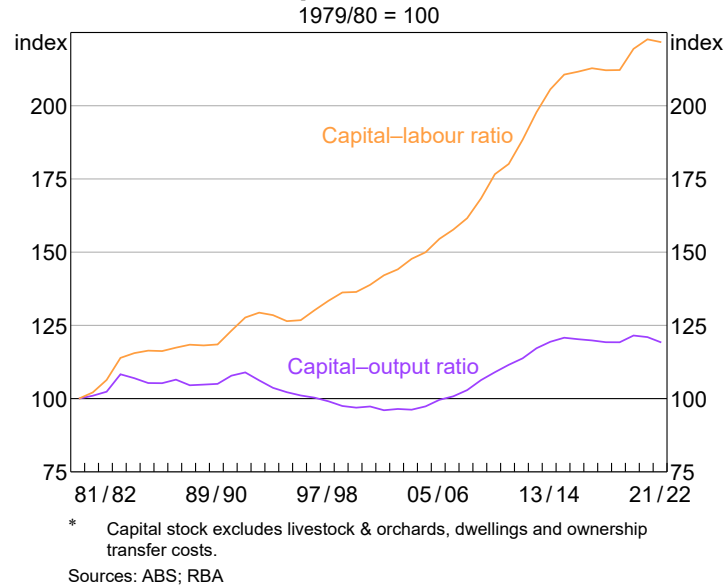
Factors of Production



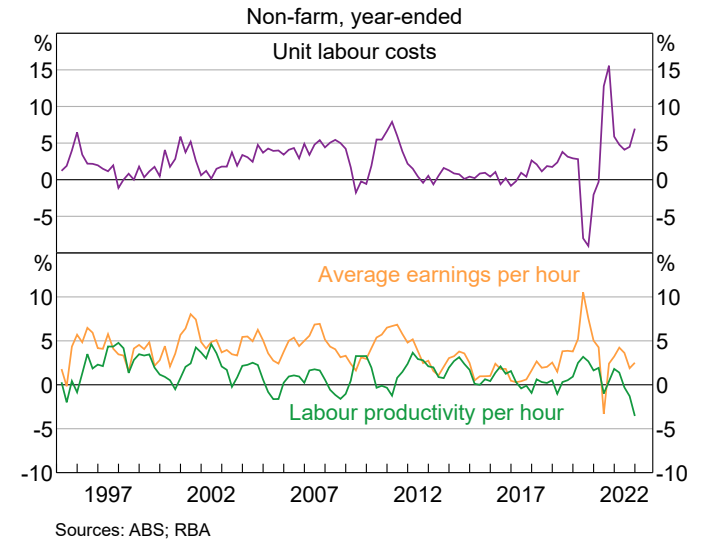
Wage Price Index Growth*



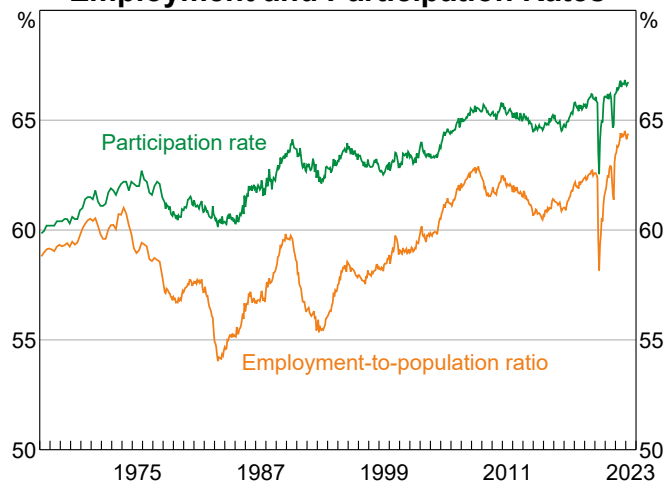
Capital Ratios*



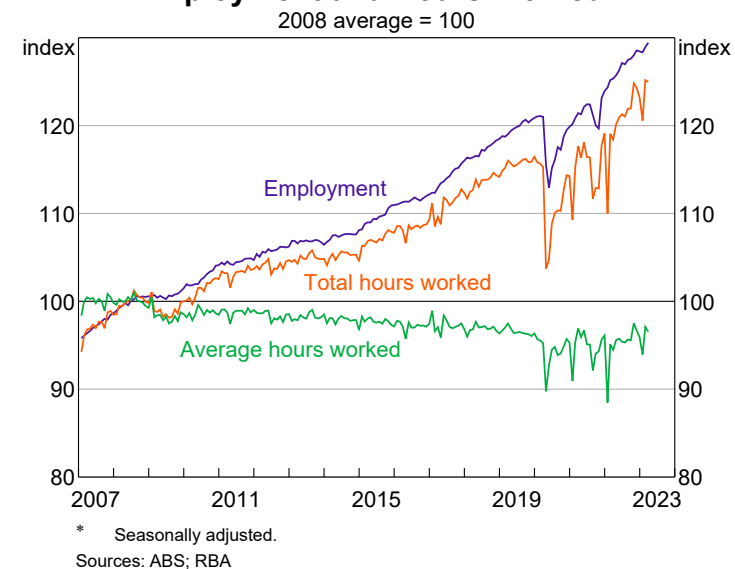
Unit Labour Costs Growth



Employment and Participation Rates

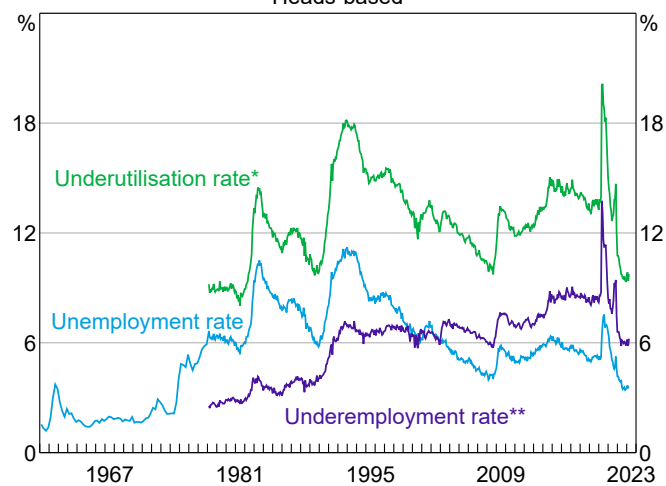


Employment and Hours Worked*



Labour Underutilisation Rates

Heads-based



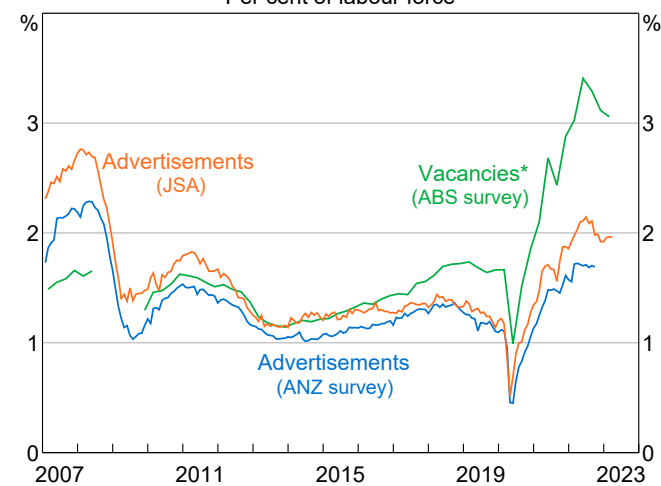
* Sum of the unemployment and underemployment rates.

** Employed people who want, and are available, to work more hours.

Source: ABS

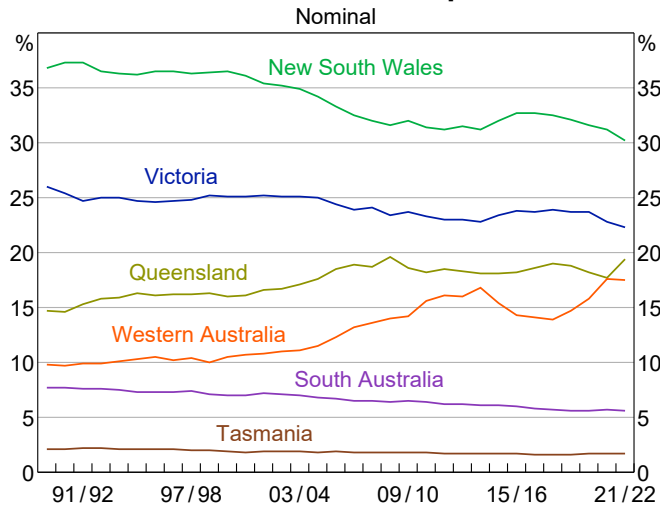
Job Vacancies and Advertisements

Per cent of labour force



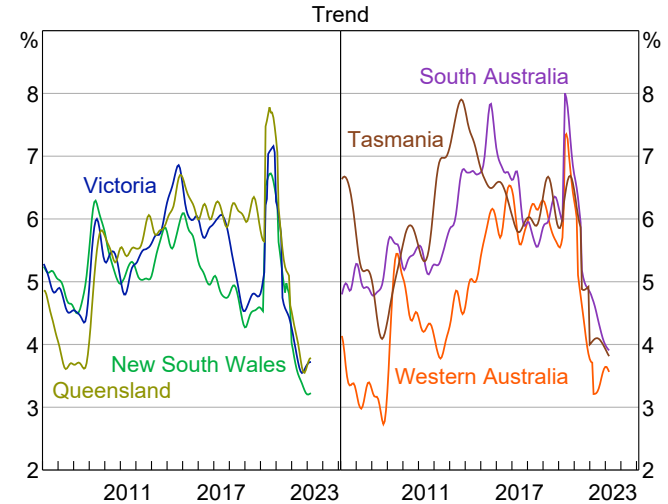
Regions and Industry

State Share of Output



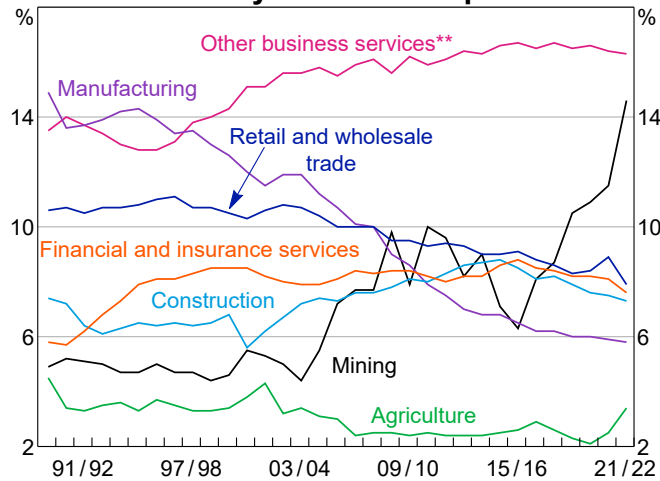
Source: ABS

State Unemployment Rates



Source: ABS

Industry Share of Output*

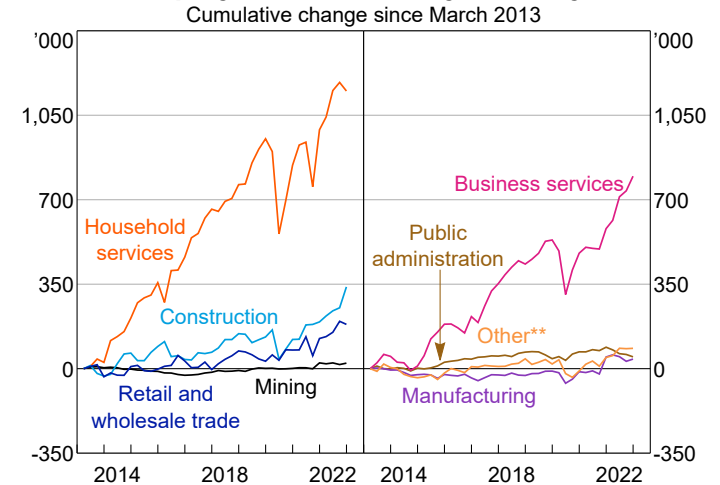


* Nominal gross value added.

** 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*



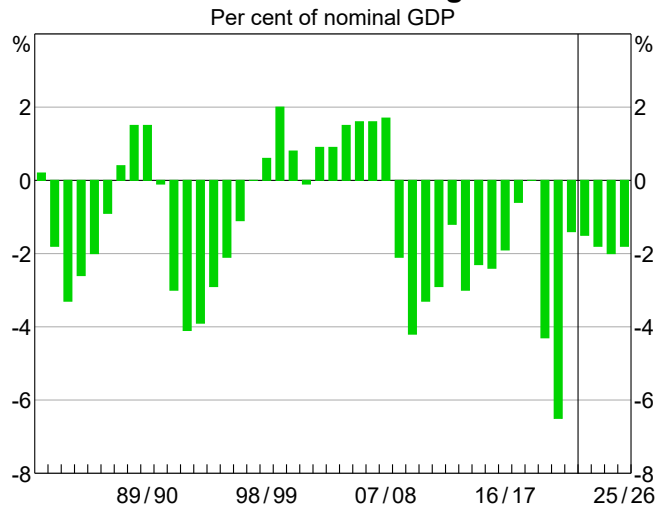
* The trend series have been suspended from June 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period.

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

Source: ABS



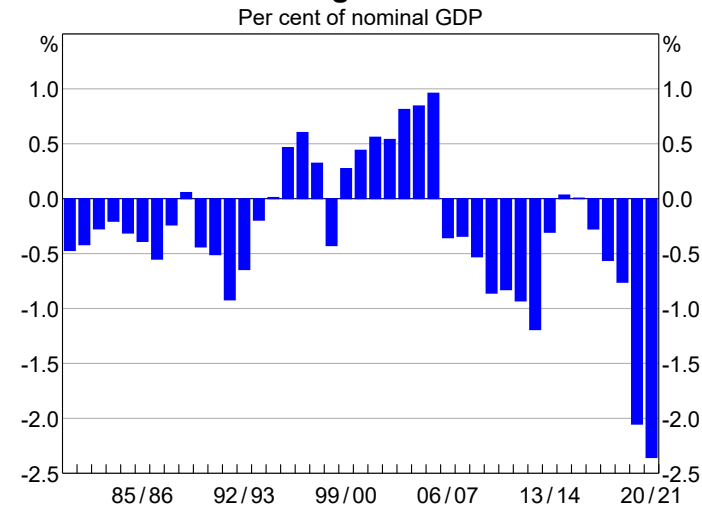
Australian Government Budget Balance*



* Underlying cash balance; 2022/23 October Budget.

Source: Australian Treasury

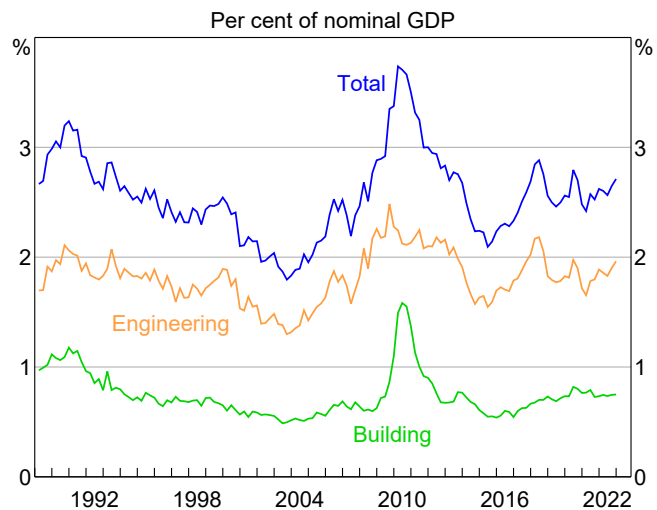
State Budget Balances*



* Underlying cash balance.

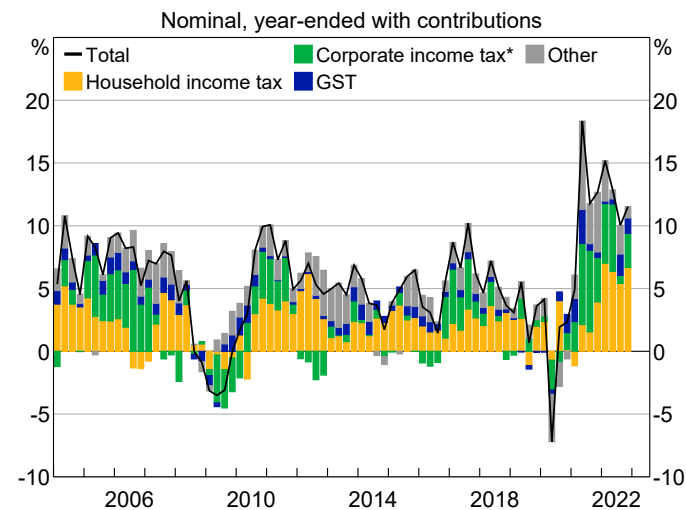
Source: ABS

Public Construction Work Done



Source: ABS

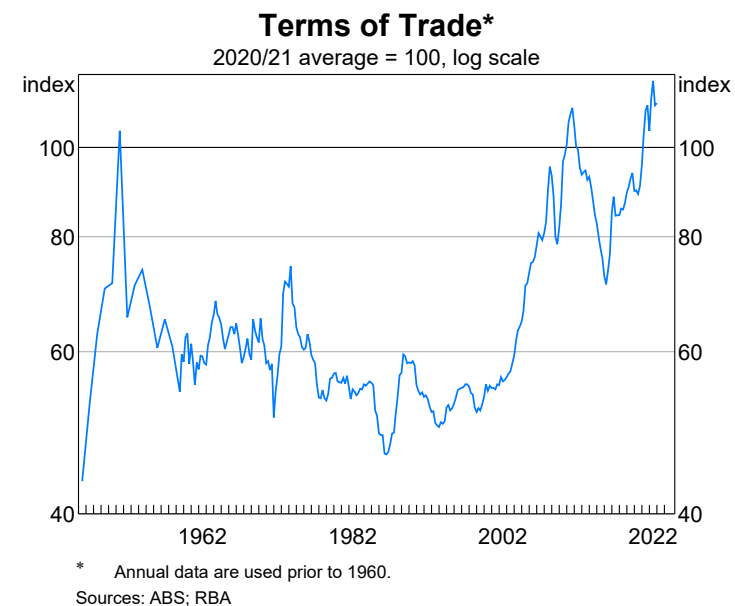
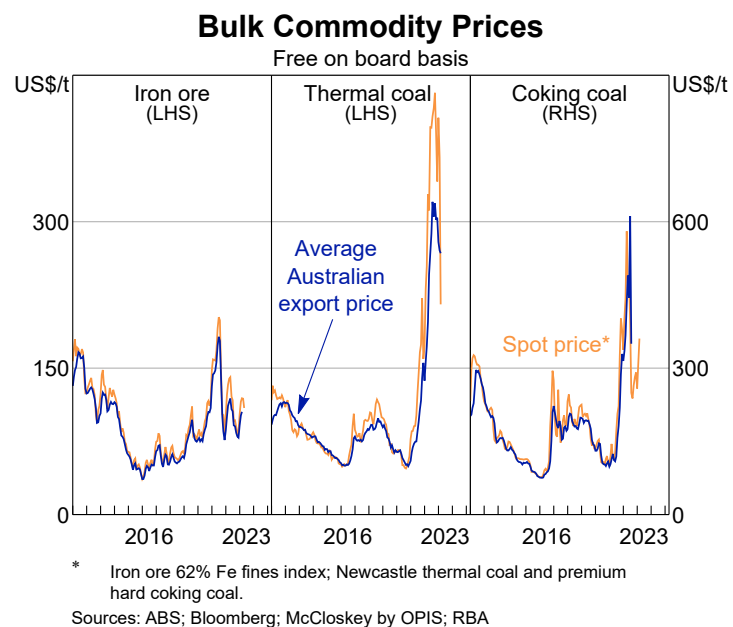
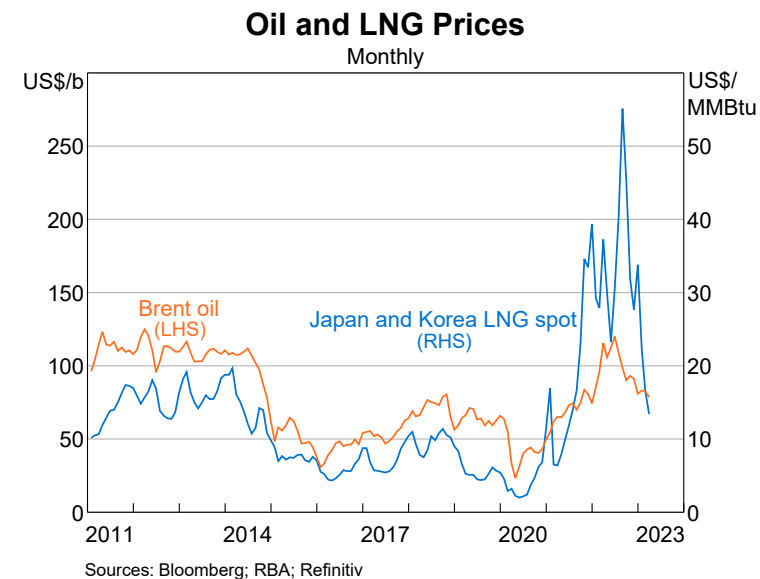
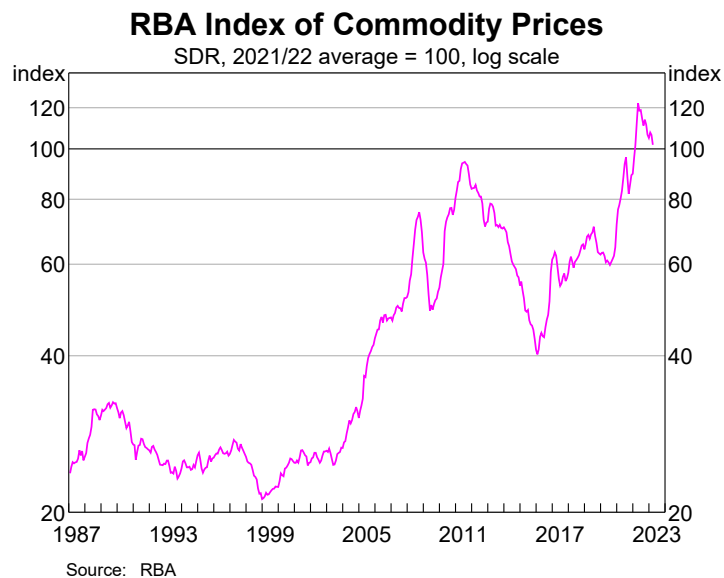
Taxation Revenue Growth



* Only includes taxation of resident corporations.

Source: ABS

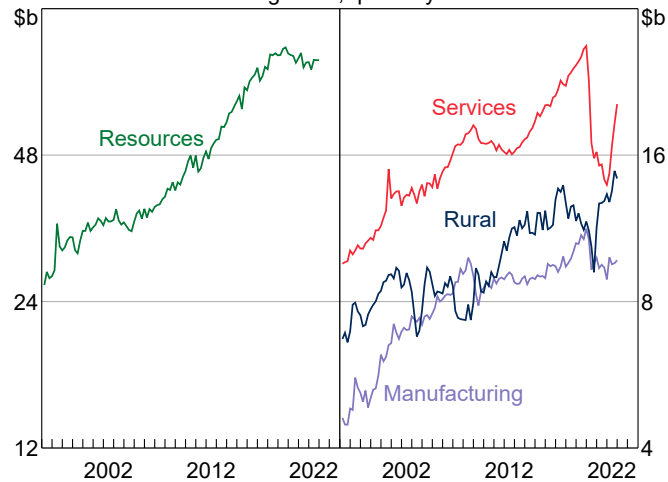
Commodity Prices



Balance of Payments and External Position

Export Volumes

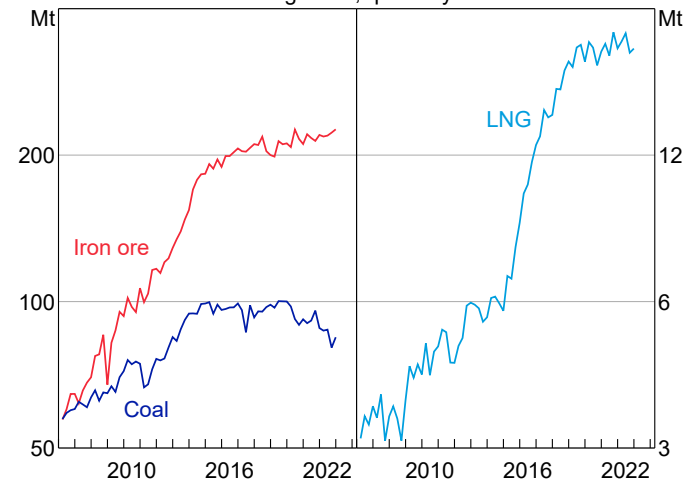
Log scale, quarterly



Sources: ABS; RBA

Resource Exports*

Log scale, quarterly

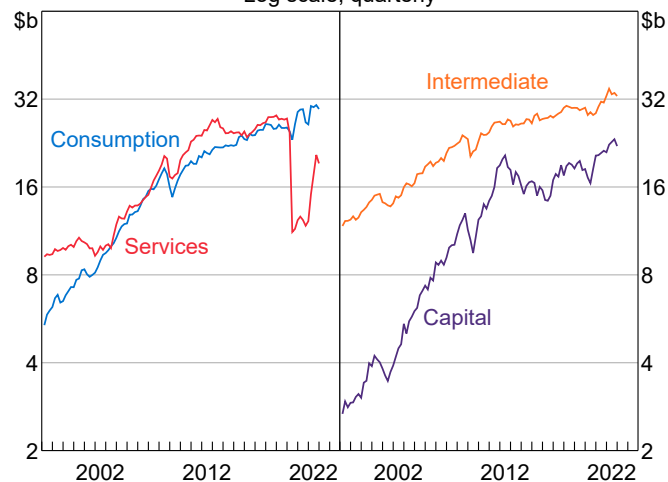


* Seasonally adjusted by the RBA.

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

Import Volumes

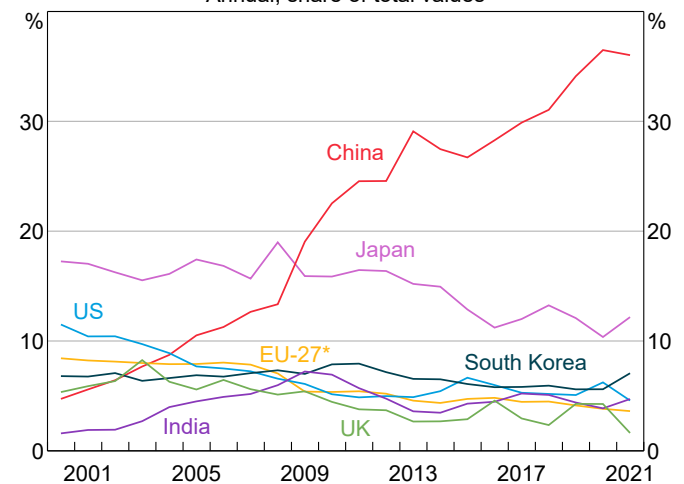
Log scale, quarterly



Source: ABS

Exports by Destination

Annual, share of total values



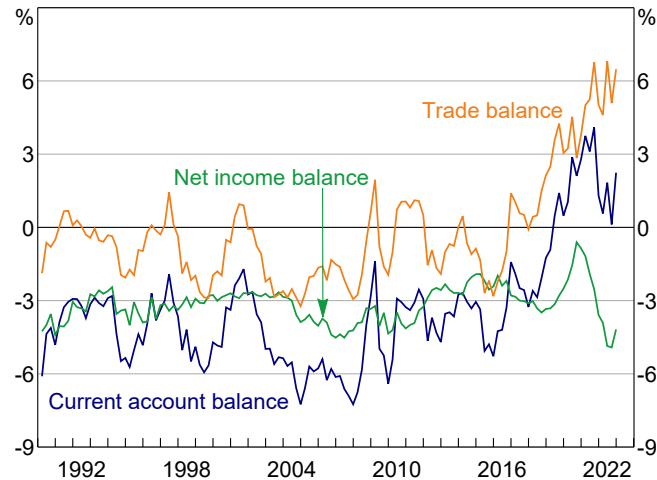
* The series has been revised to exclude the UK.

Sources: ABS; RBA



Current Account Balance

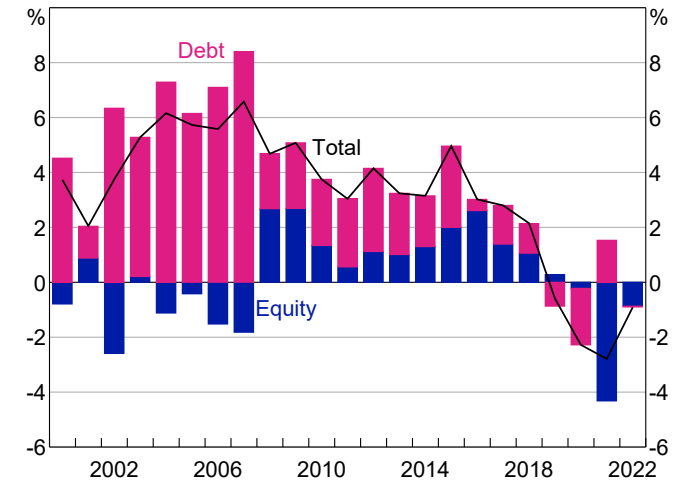
Per cent of nominal GDP



Source: ABS

Net Capital Inflow*

Per cent of nominal GDP

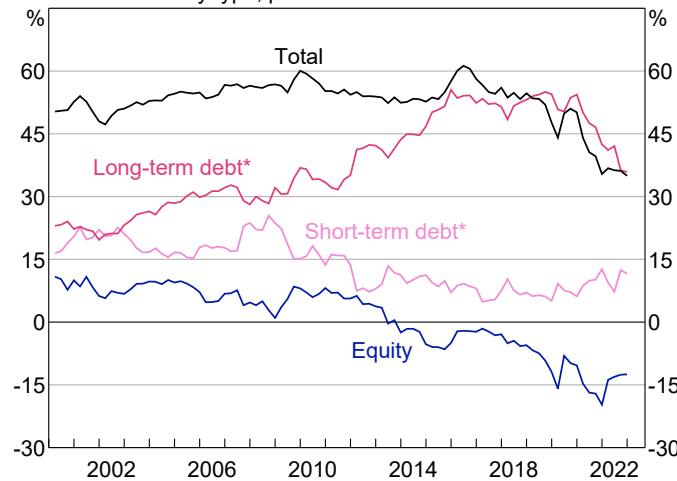


* Latest year includes data for the year to date.

Source: ABS

Net Foreign Liabilities

By type, per cent of nominal GDP

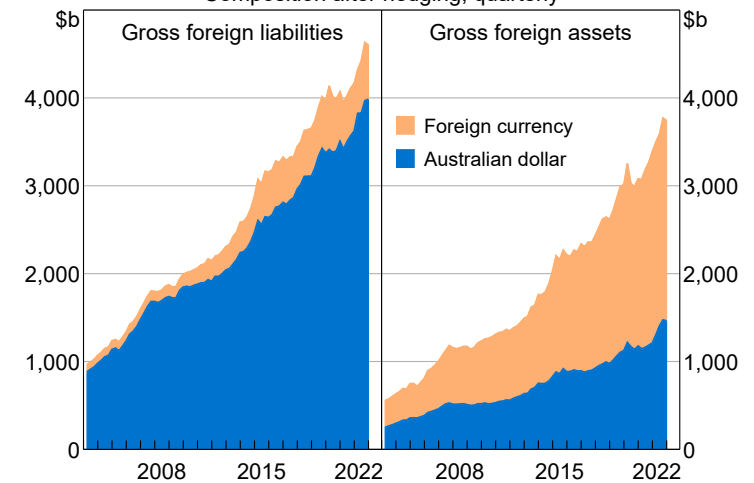


* Short-term includes debt with residual maturity of one year or less; long-term includes all other debt.

Source: ABS

External Position*

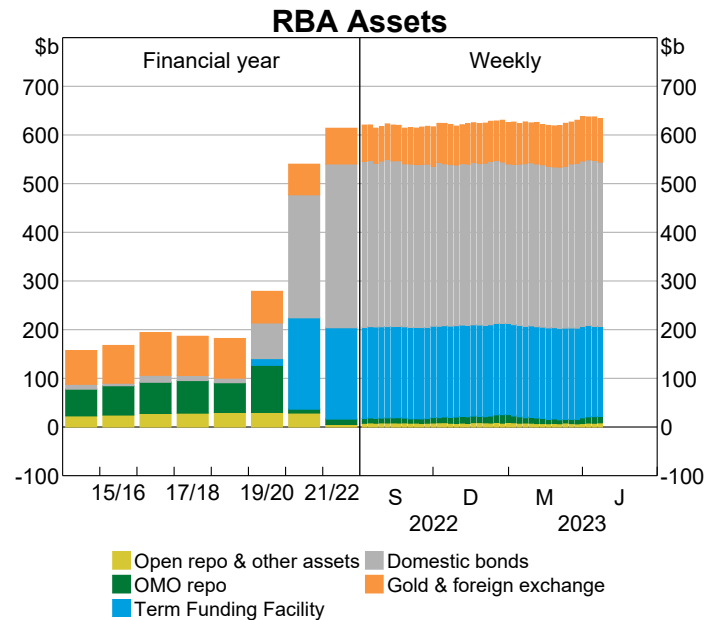
Composition after hedging, quarterly



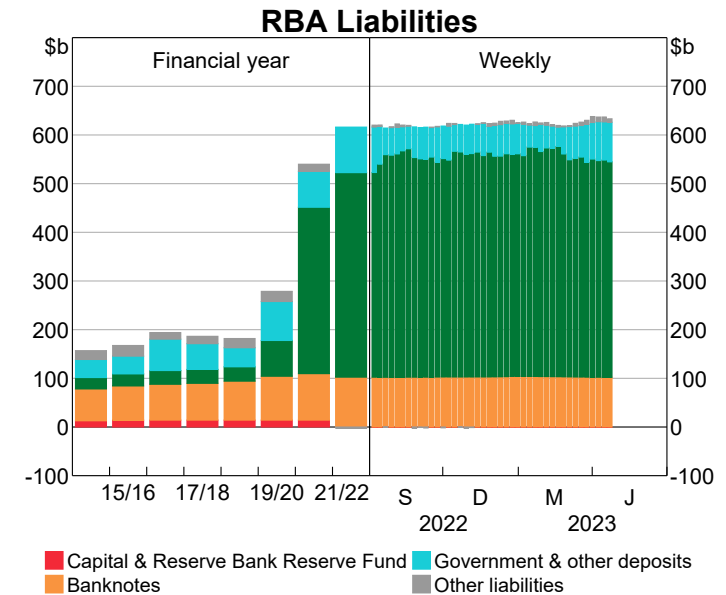
* Hedge ratios inferred from ABS Foreign Currency Exposure surveys.

Sources: ABS; RBA

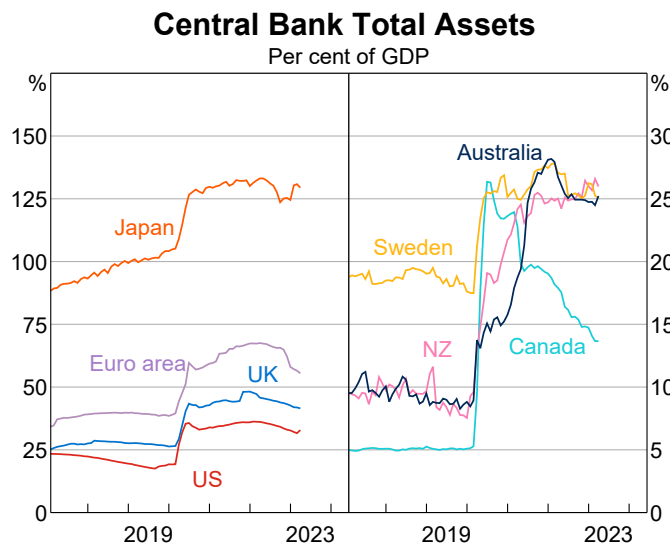
Central Bank Balance Sheets and Bond Purchases



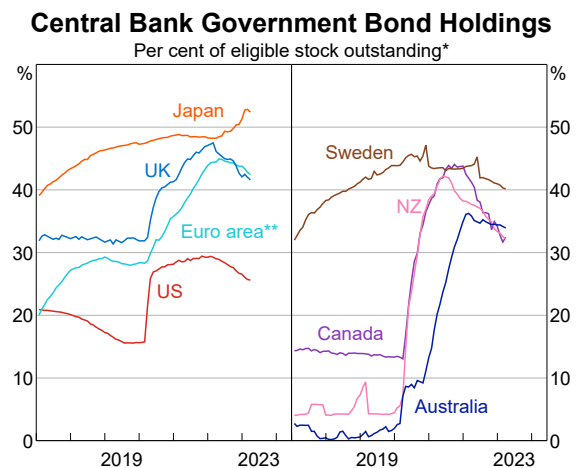
Source: RBA



Source: RBA



Sources: Central banks; RBA; Refinitiv



* Data include nominal and inflation-linked bonds issued by central governments that are eligible for purchase in the secondary market under central banks' government bond purchase programs (for Australia, this is nominal Australian Government Securities only); data for euro area also include eligible bonds issued by local and regional governments.

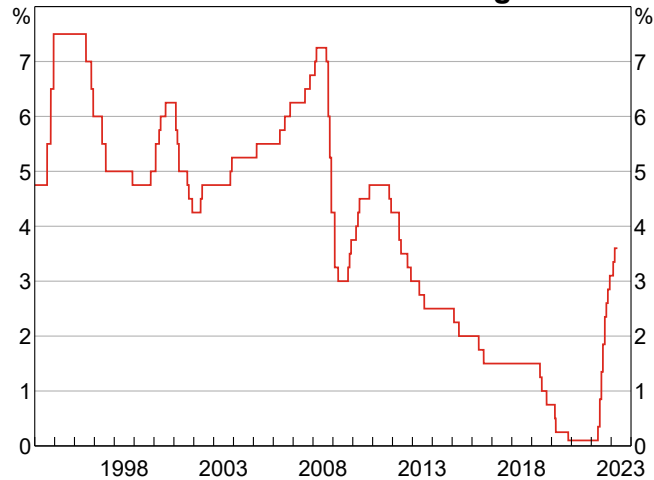
** Holdings data for euro area only include bonds held as part of asset purchase programs; holdings data for other central banks also include bonds held for operational or liquidity purposes.

Sources: Central banks; debt management offices; RBA; Refinitiv



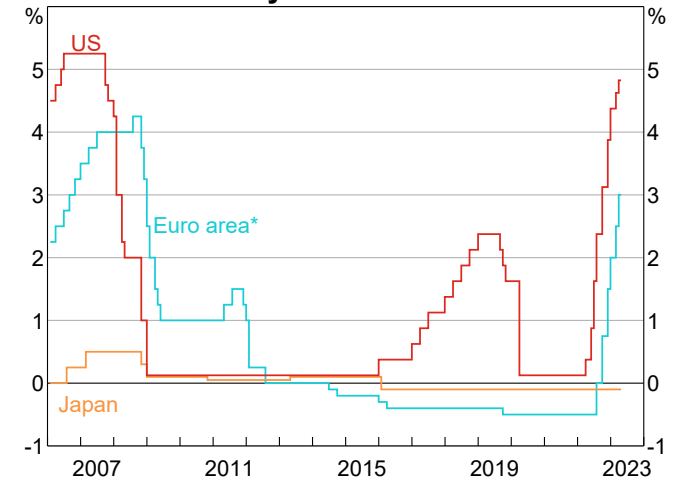
Interest Rates

Australian Cash Rate Target



Source: RBA

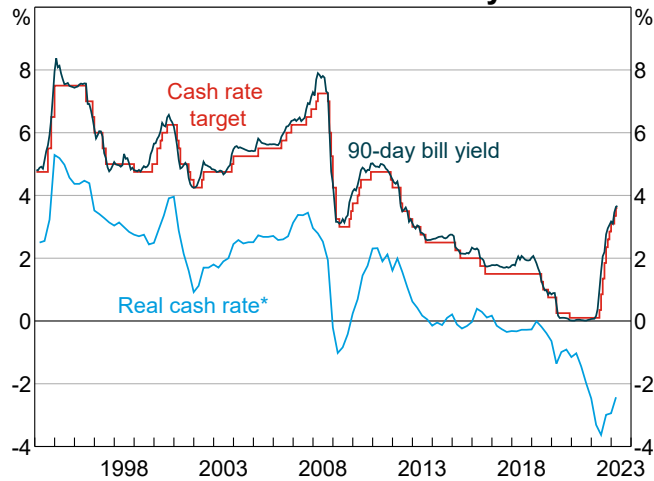
Policy Interest Rates



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

Source: Central banks

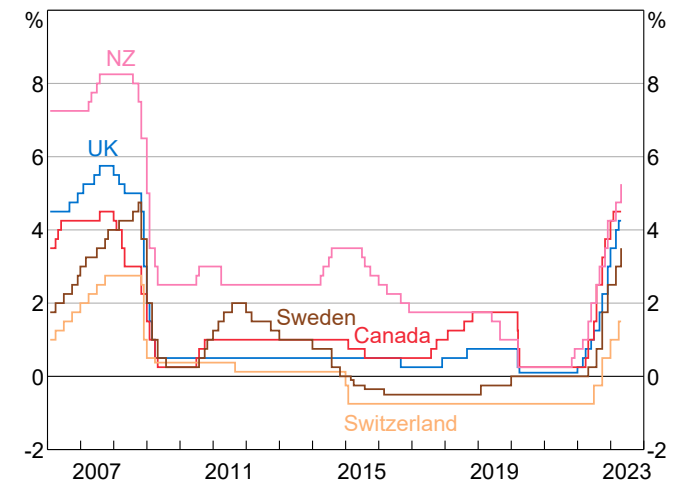
Australian Cash Rate and 90-day Bill Yield



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

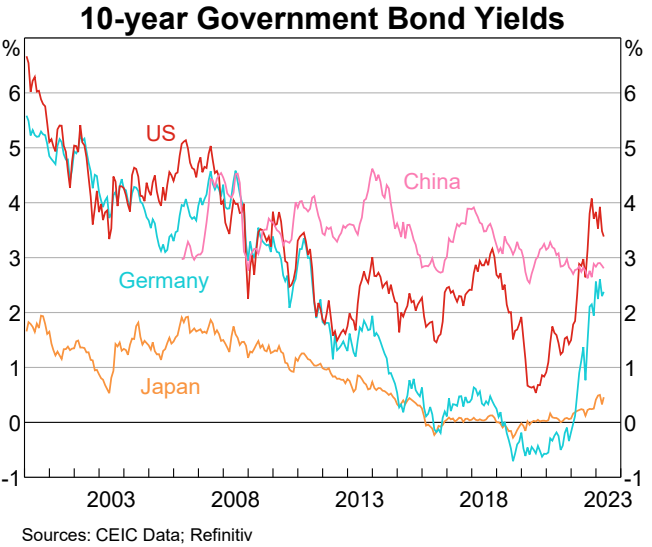
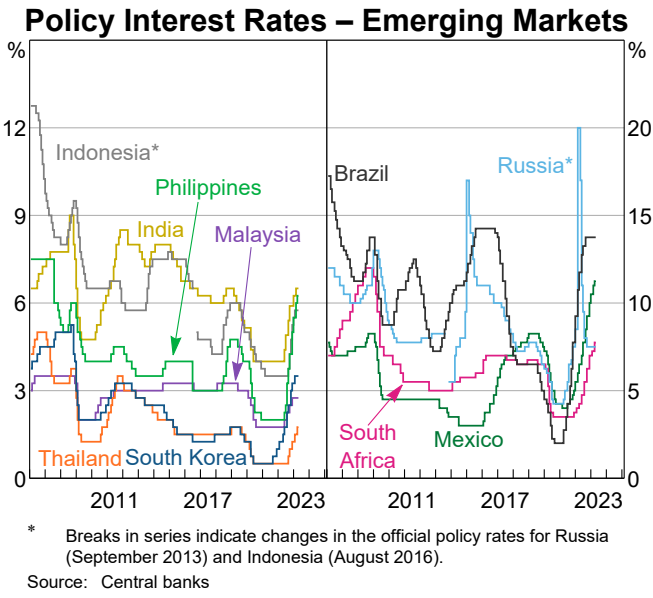
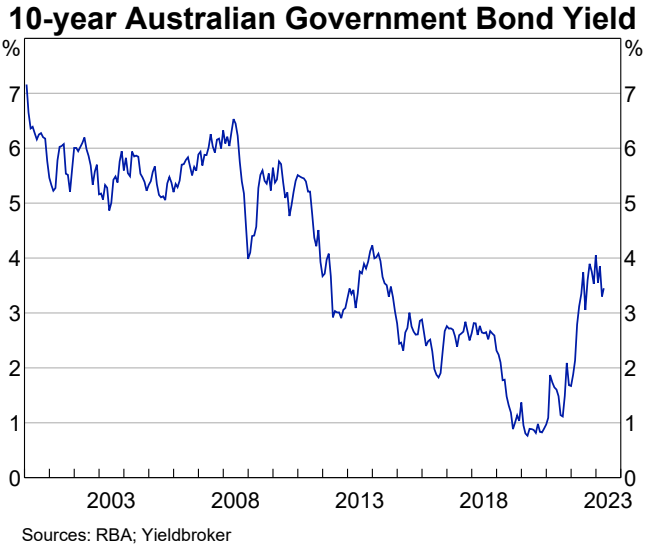
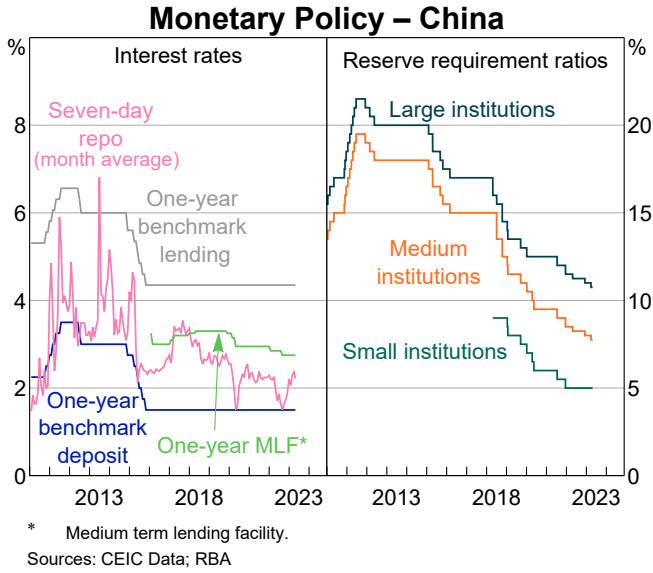
Sources: ABS; AFMA; ASX; RBA

Policy Interest Rates – Selected Advanced Economies

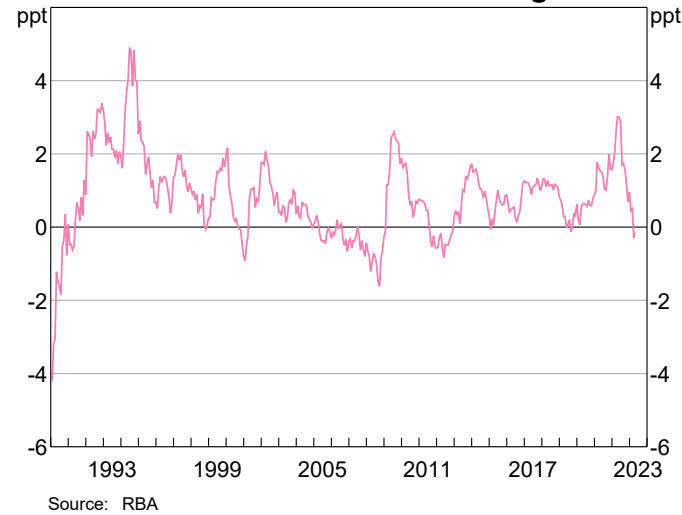


Source: Central banks

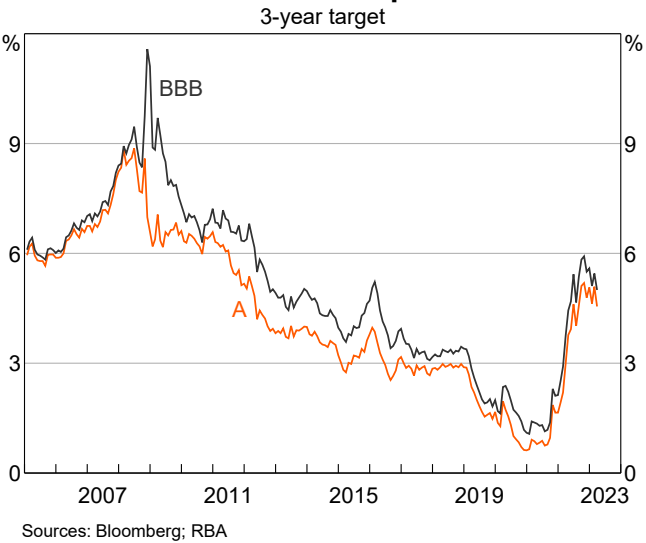




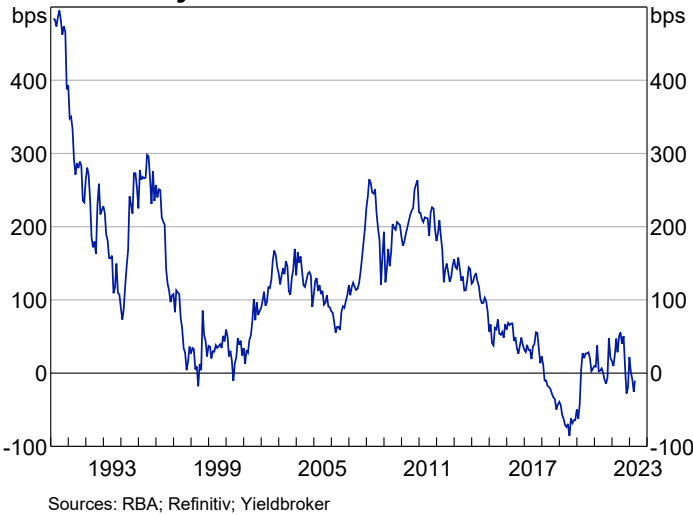
Spread between Australian 10-year Bond Yield and the Cash Rate Target



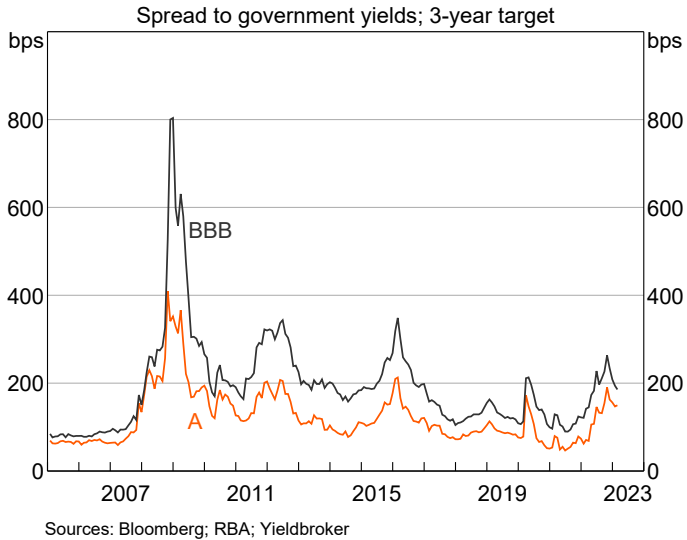
Australian Non-financial Corporate Bond Yields

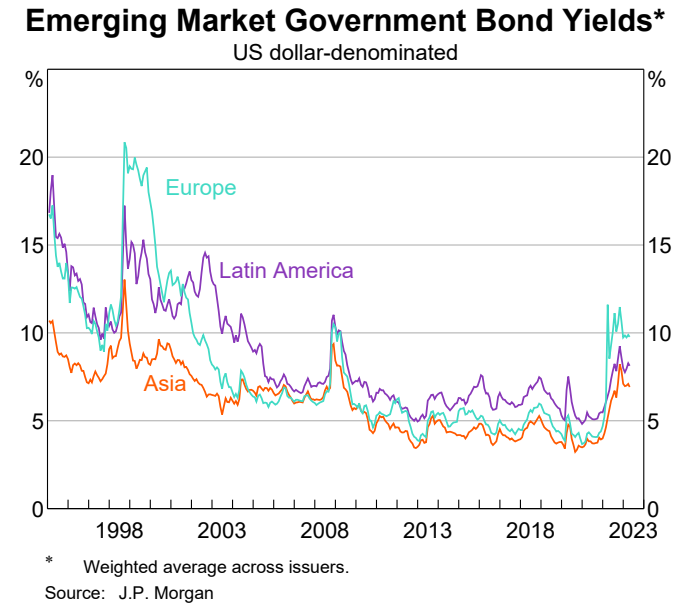
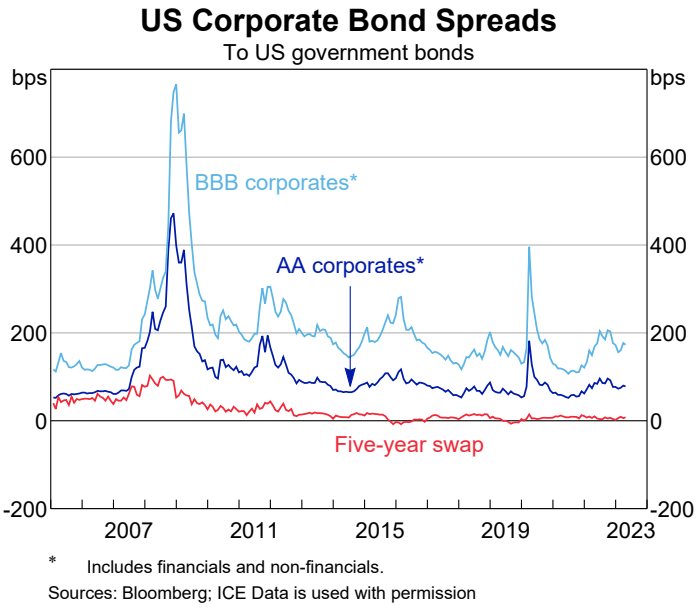
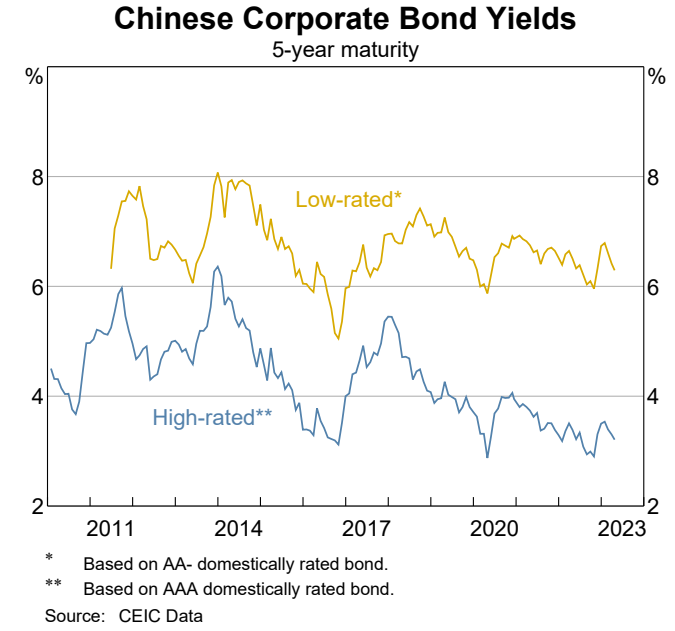
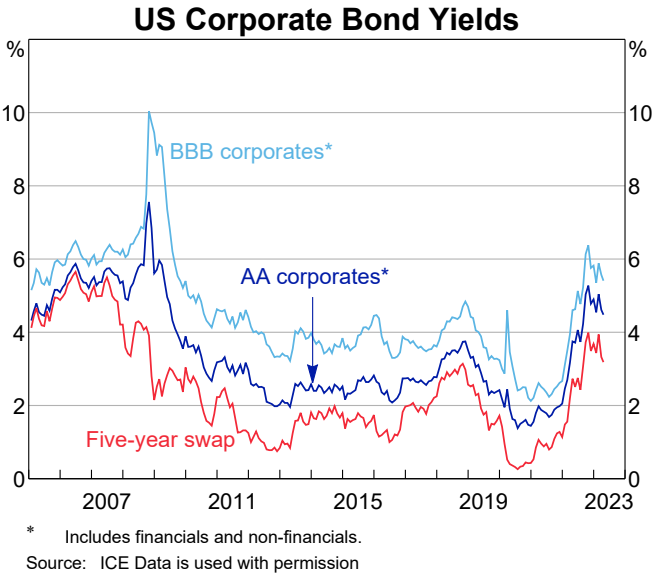


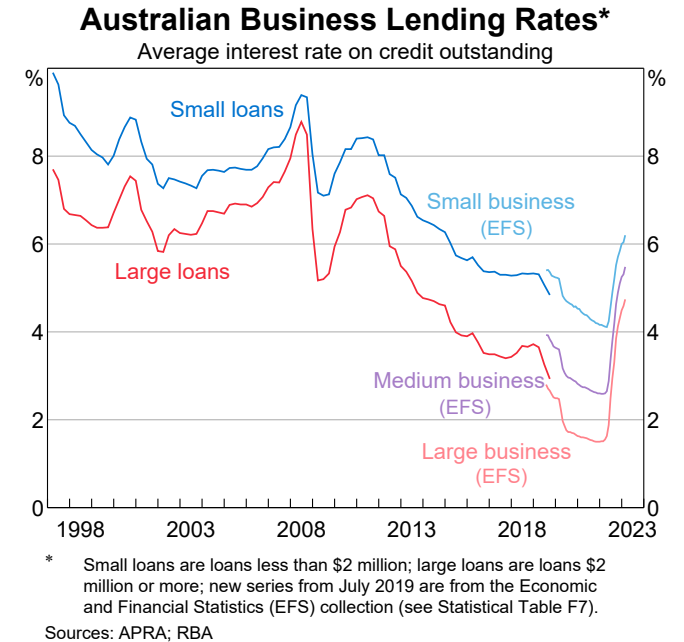
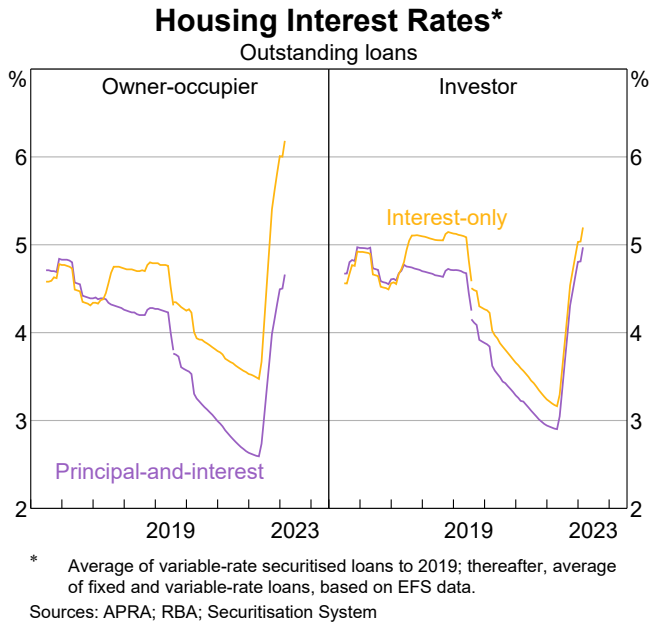
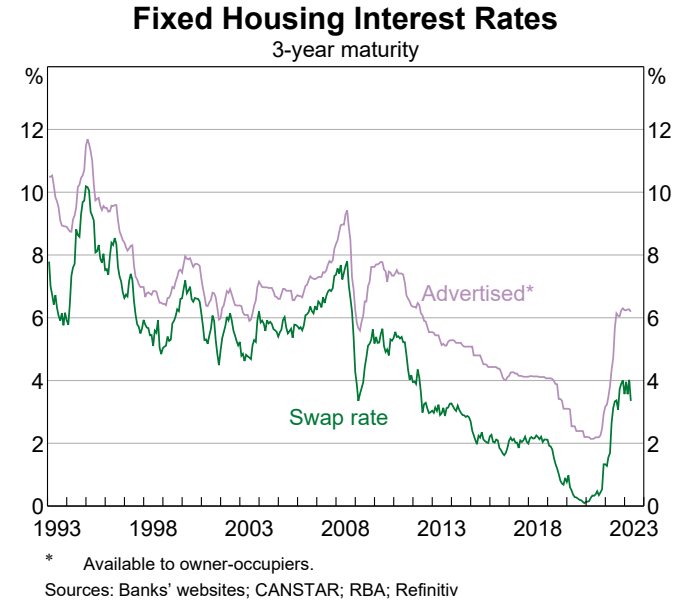
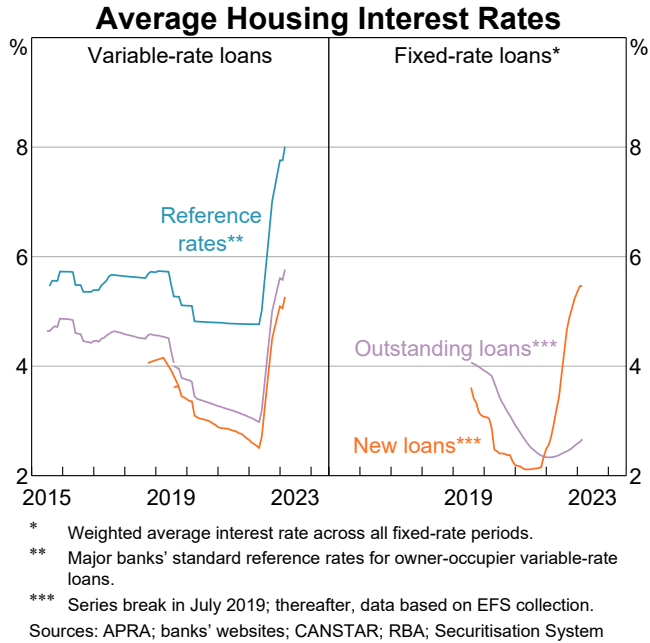
Differential between Australian and US 10-year Government Bond Yields



Australian Non-financial Corporate Bond Spreads







Share Price Accumulation Indices

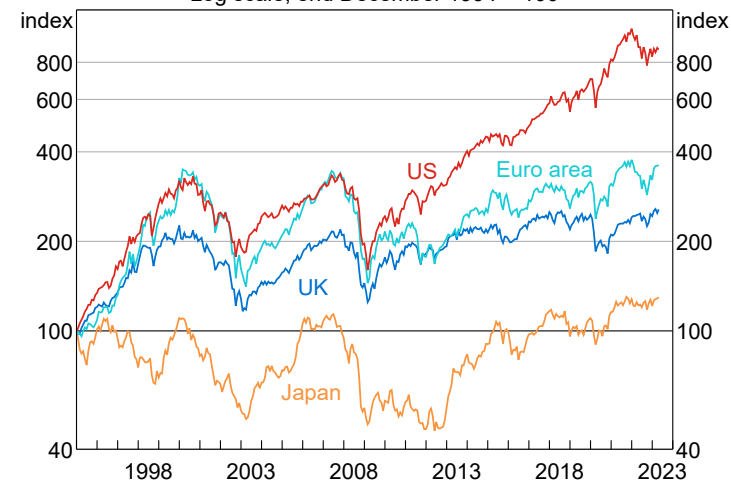
Log scale, end December 1994 = 100



Sources: Bloomberg; RBA

Advanced Economies' Share Price Indices

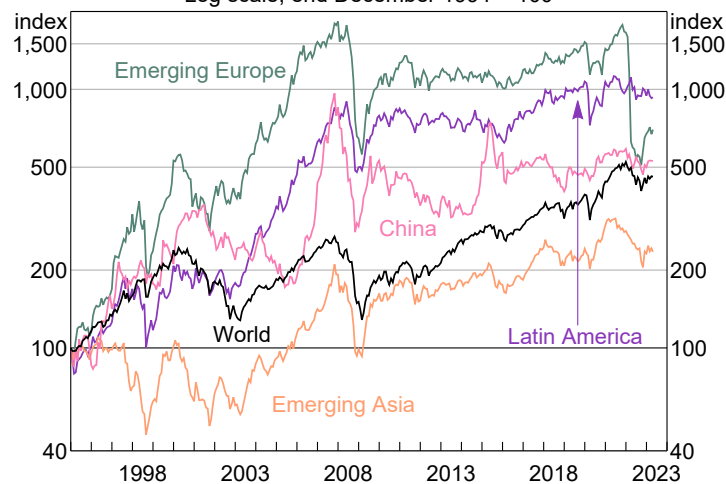
Log scale, end December 1994 = 100



Sources: Bloomberg; RBA

Emerging Markets' Share Price Indices*

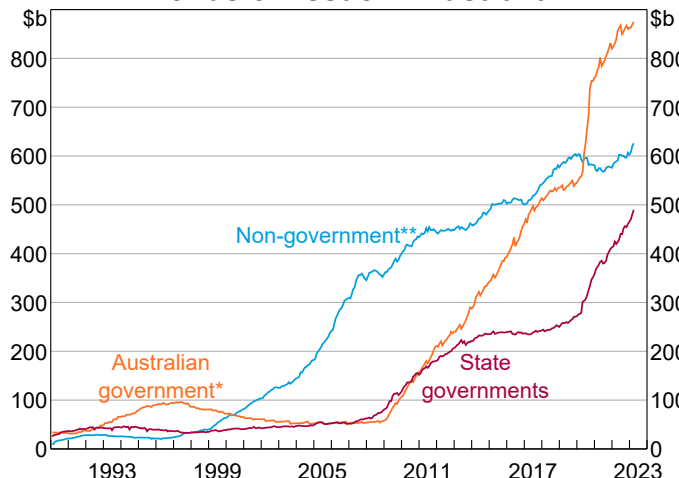
Log scale, end December 1994 = 100



* MSCI indices; Shanghai Composite Index for China.

Sources: Bloomberg; MSCI; RBA

Bonds on Issue in Australia



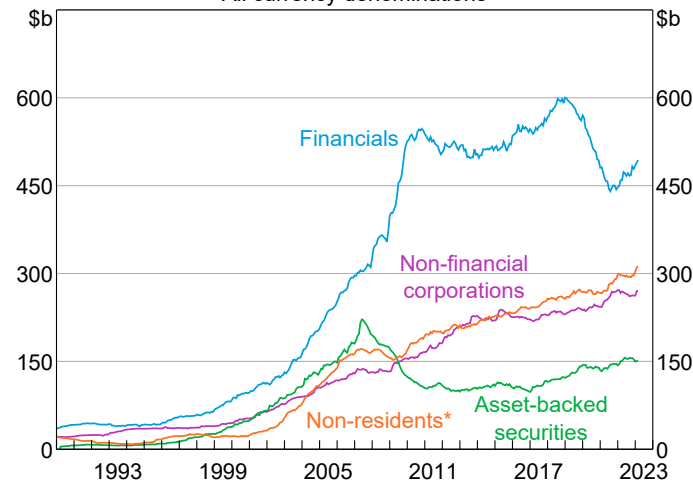
* Excludes bonds purchased by the Australian Government.

** 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

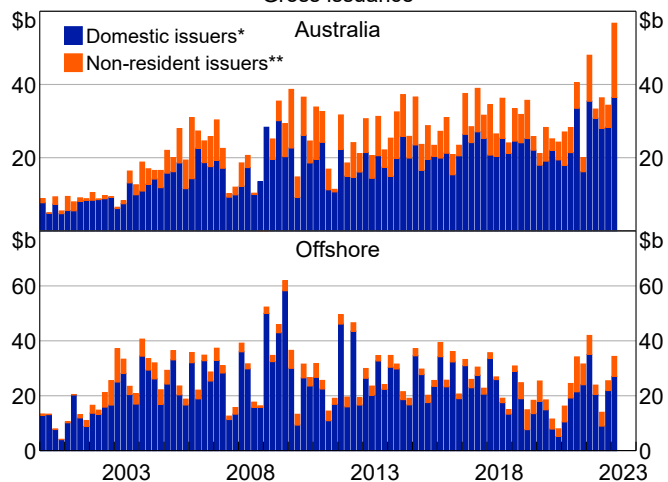


* Australian dollar-denominated bonds only.

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

Non-government Bond Issuance

Gross issuance

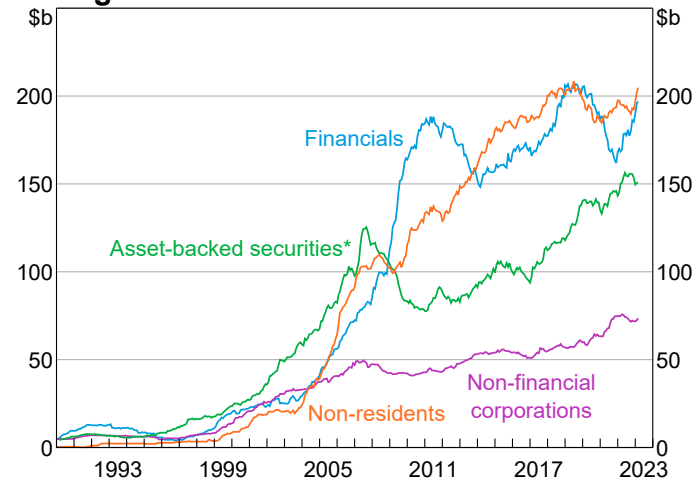


* Excludes ADIs' self-securitisations.

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

Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA

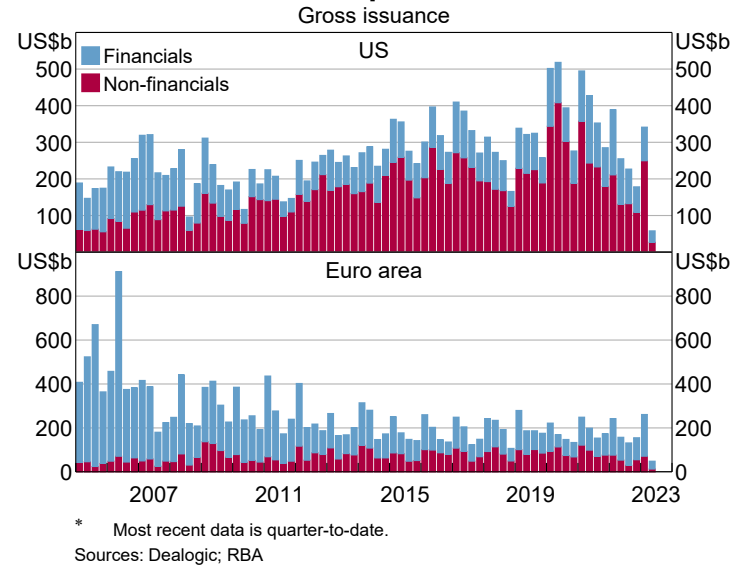
Non-government Bonds on Issue in Australia



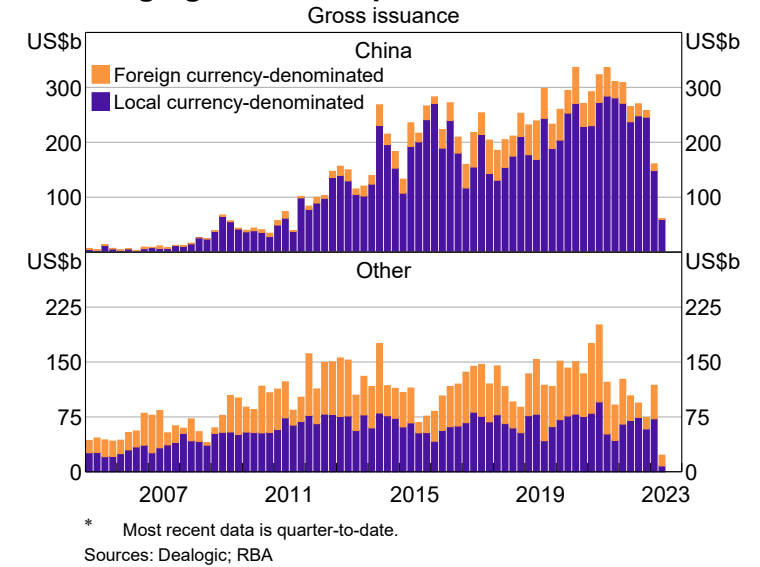
* Excludes ADIs' self-securitisations.

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

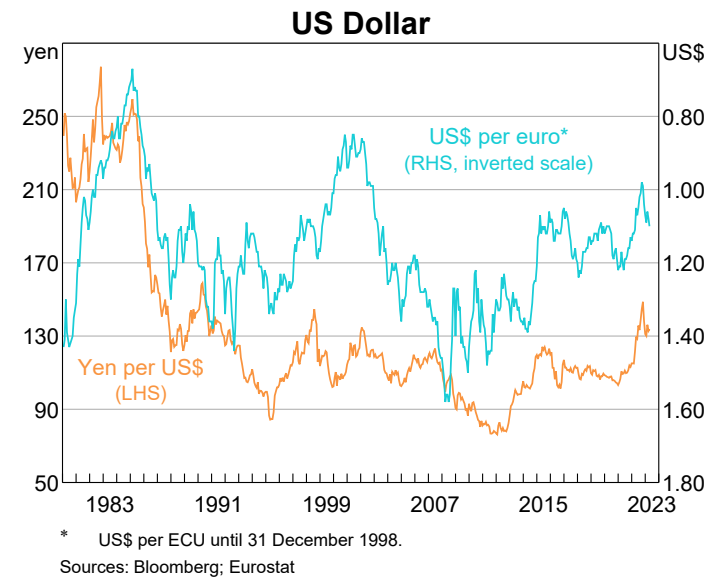
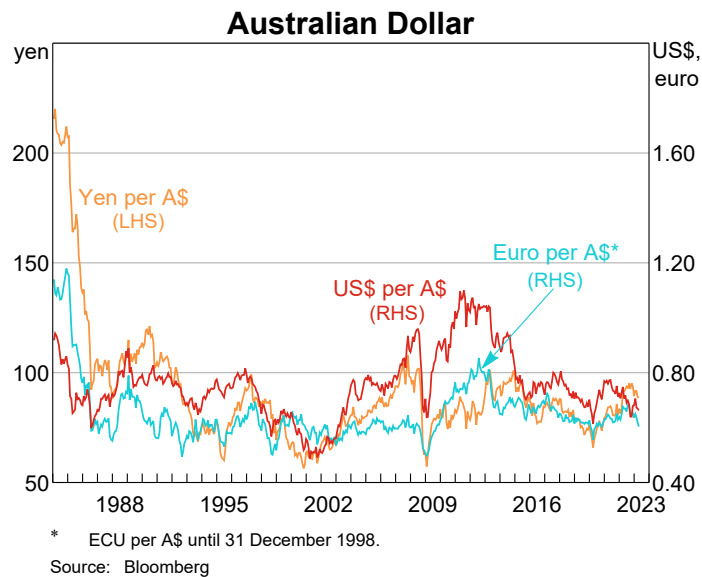
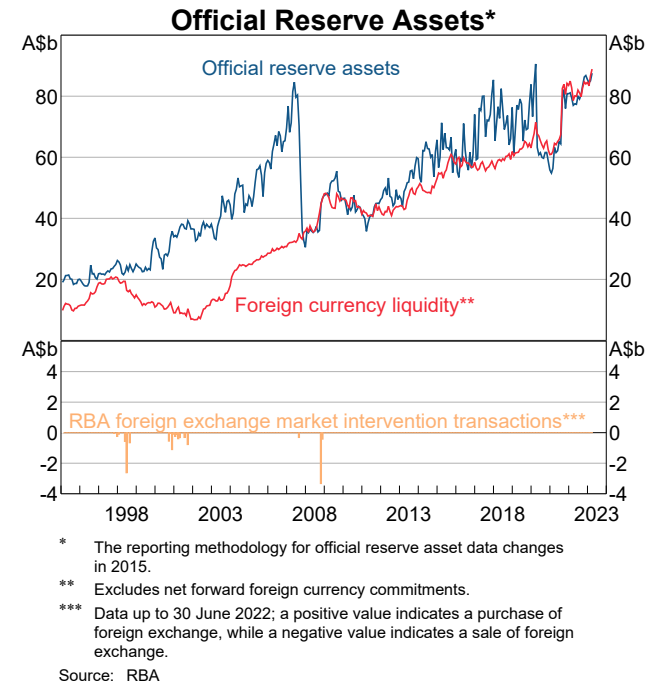
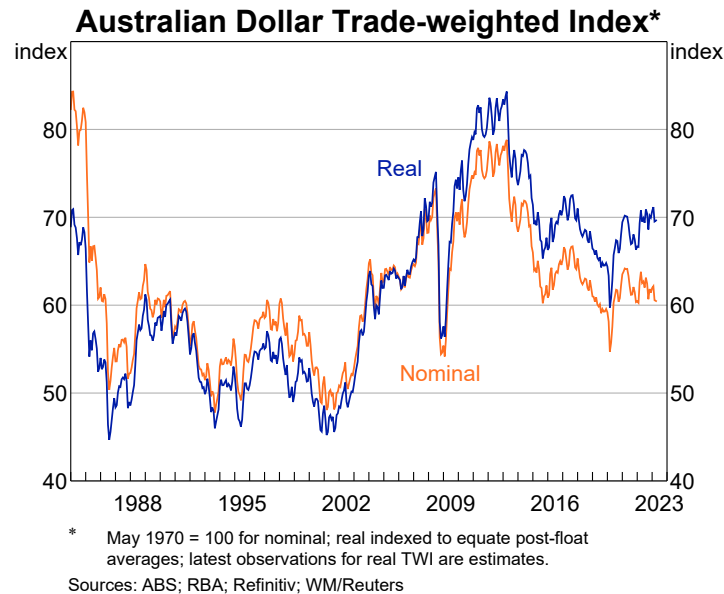
US and Euro Area Corporate Bond Issuance*



Emerging Market Corporate Bond Issuance*

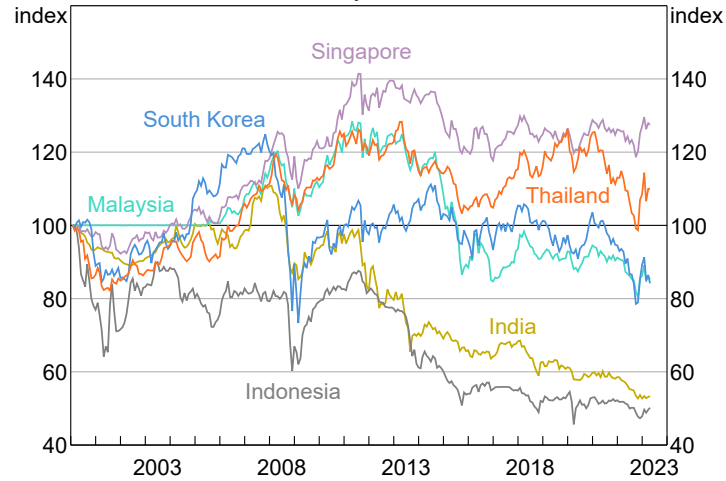


Exchange Rates



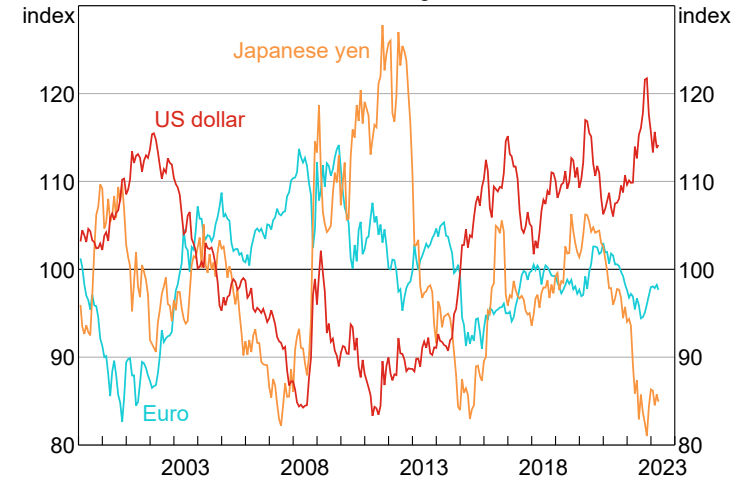
Selected Asian Currencies against the US Dollar

31 January 2000 = 100

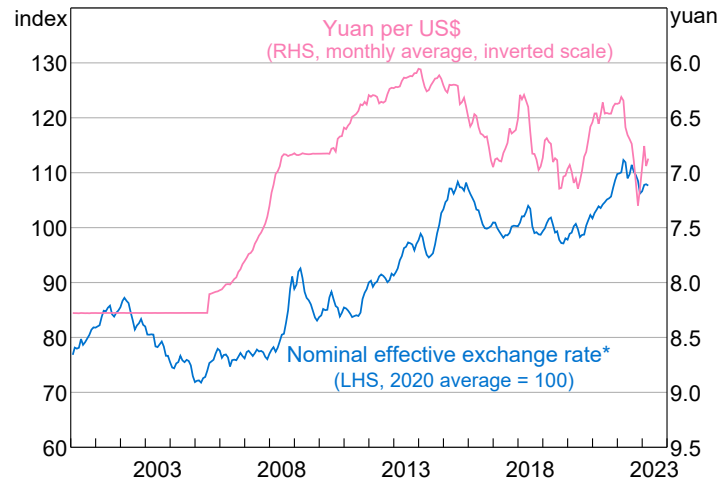


G3 Nominal Trade-weighted Indices

1999–2020 average = 100



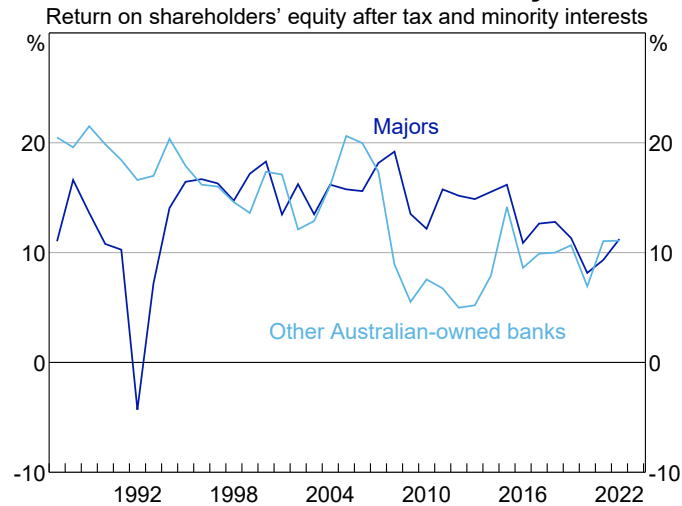
Chinese Renminbi



* 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*

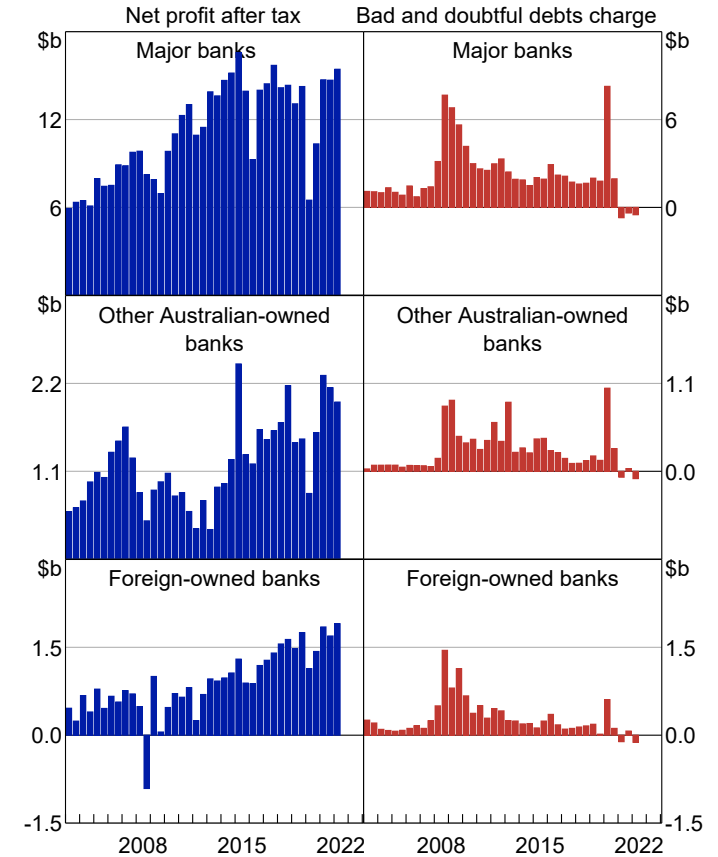
Domestic, half-yearly



* 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.

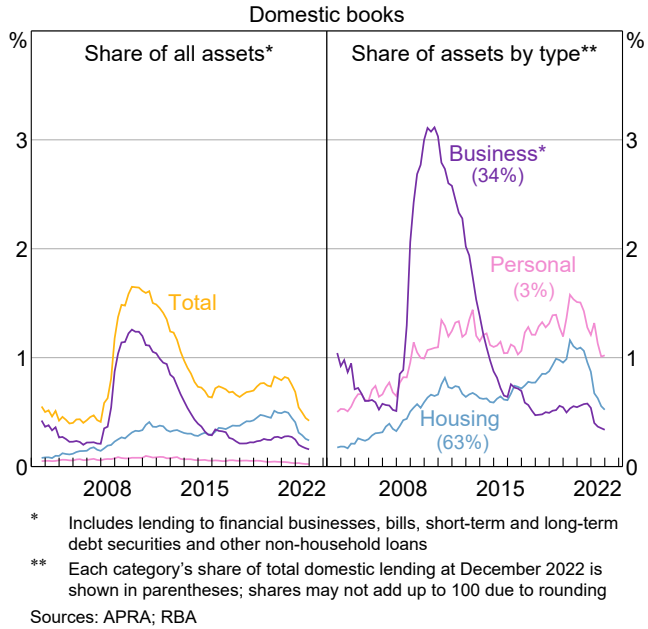
Sources: Banks' financial reports; RBA

Australian Bank Profits

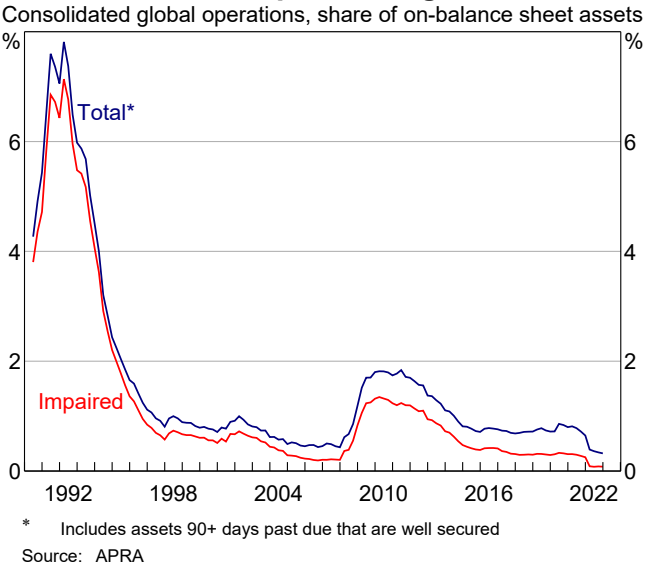


Sources: APRA; RBA

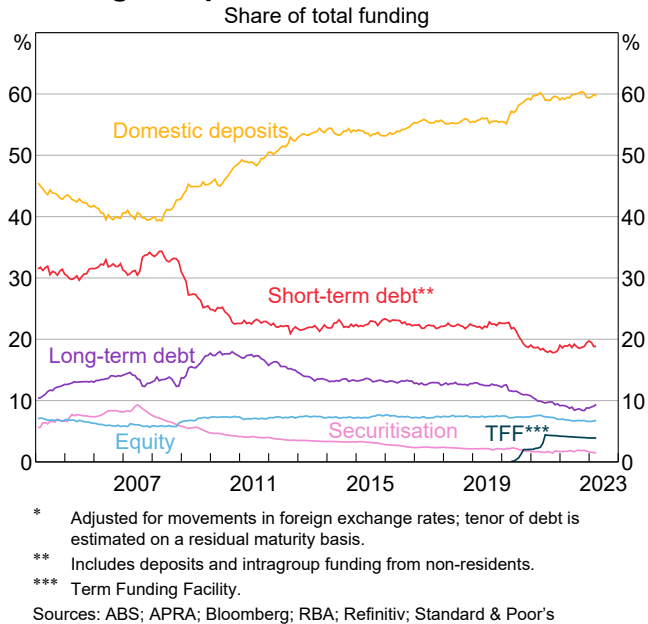
Banks' Non-performing Assets



Banks' Non-performing Assets



Funding Composition of Banks in Australia*



Capital Ratios*

