



The Australian Economy and Financial Markets

Chart Pack | December 2023

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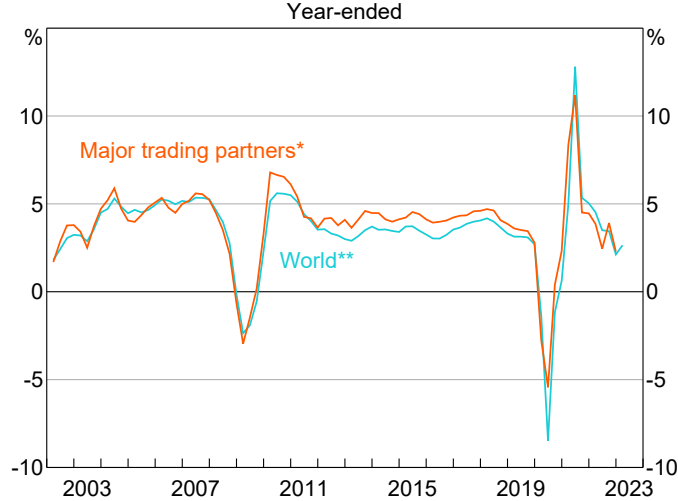
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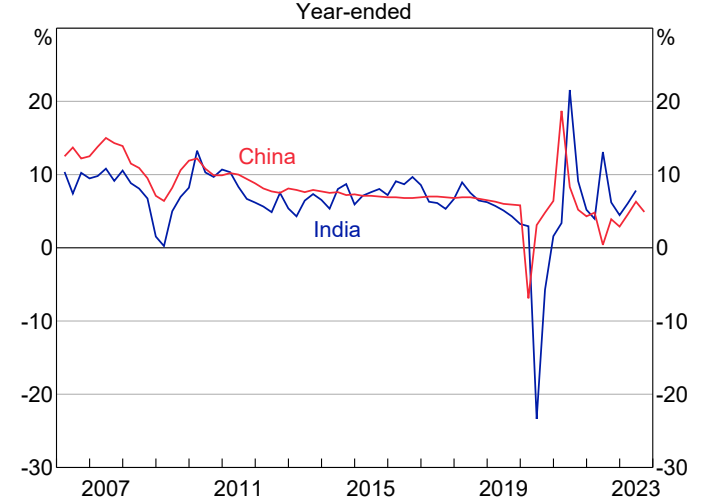
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GDP Growth – World



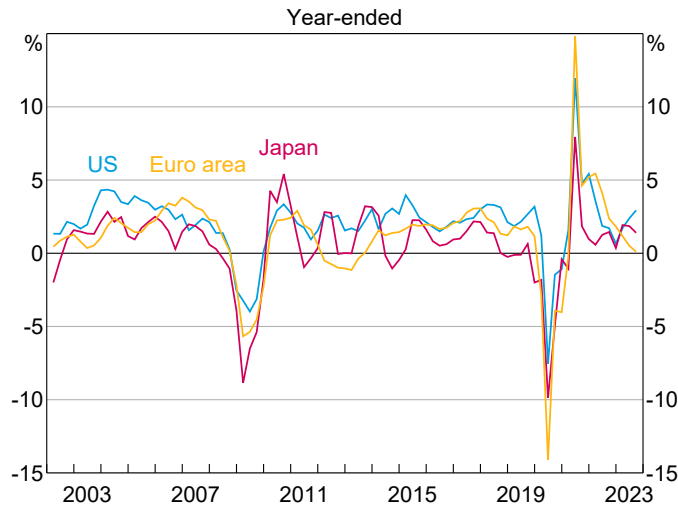
* Weighted using Australian export shares.
 ** PPP-weighted; accounts for 85 per cent of world GDP.
 Sources: ABS; CEIC Data; IMF; RBA; Refinitiv.

GDP Growth – China and India



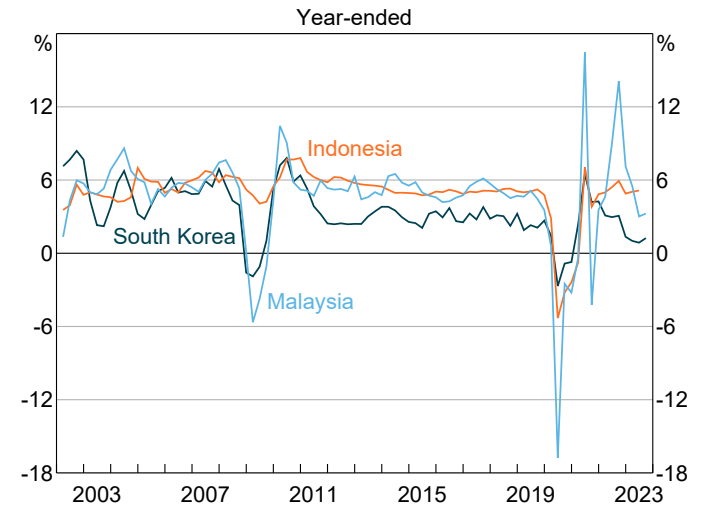
Sources: CEIC Data; RBA.

GDP Growth – Advanced Economies



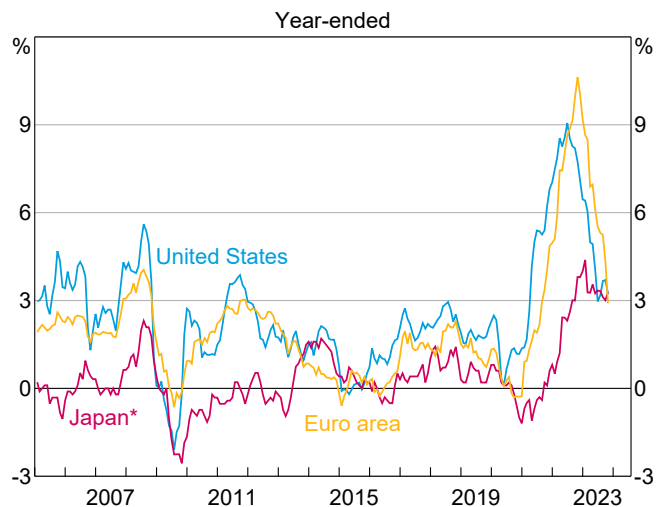
Source: Refinitiv.

GDP Growth – East Asia



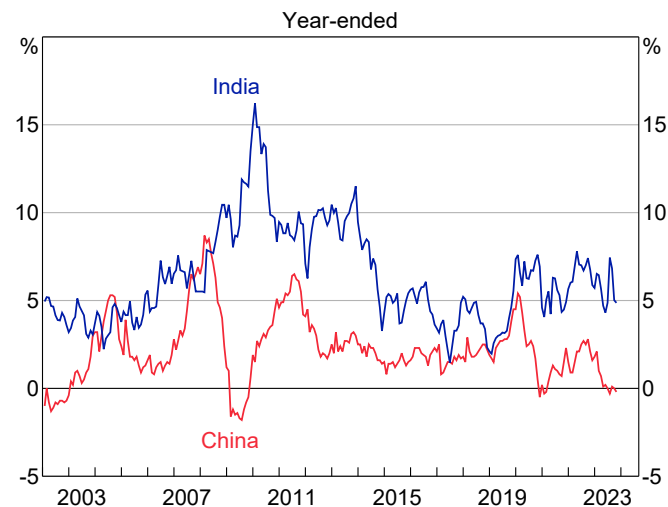
Sources: CEIC Data; RBA.

Inflation – Advanced Economies



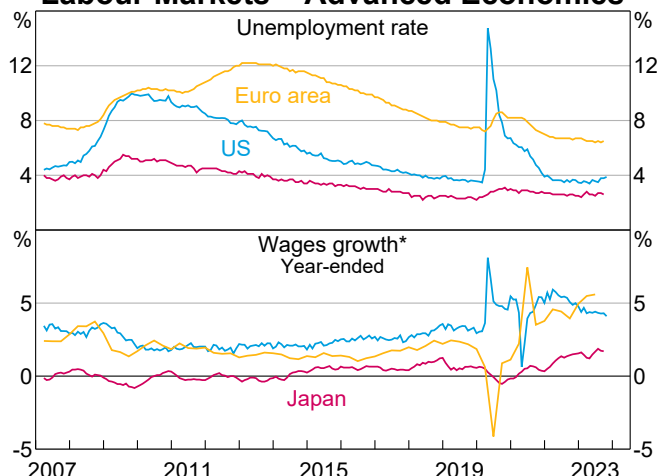
* Excludes the effects of the consumption tax increase in 2014.
Sources: RBA; Refinitiv.

Inflation – China and India



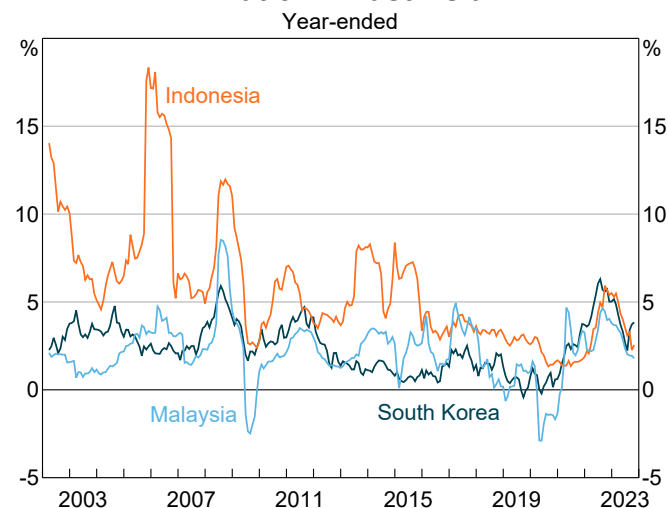
Source: CEIC Data.

Labour Markets – Advanced Economies



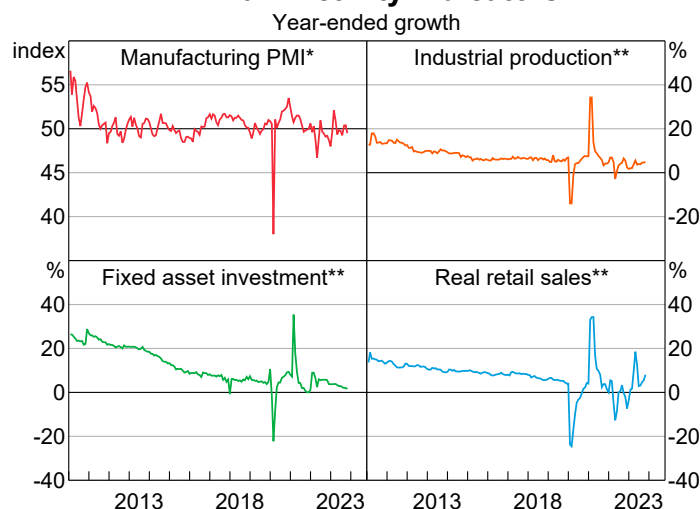
* Average hourly earnings for the US; compensation per employee for the euro area; smoothed full-time base wages for Japan.
Sources: CEIC Data; RBA; Refinitiv.

Inflation – East Asia



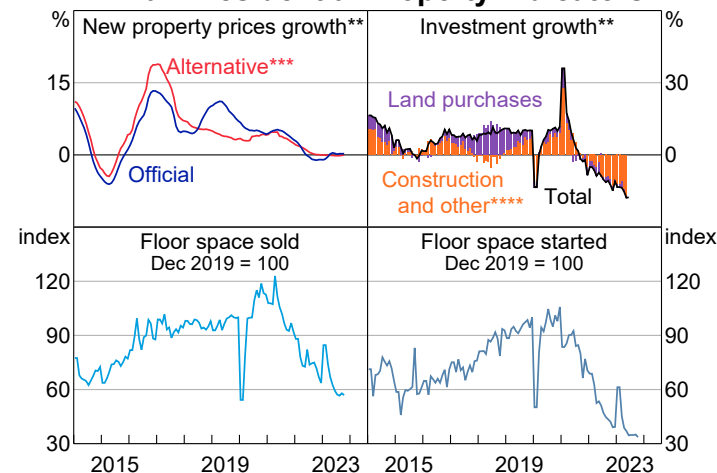
Sources: CEIC Data; RBA; Refinitiv.

China – Activity Indicators



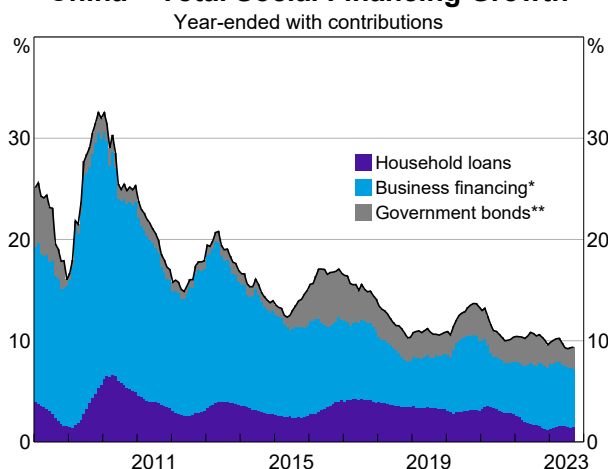
* Diffusion index; average of the official and Caixin.
 ** Seasonally adjusted by the RBA.
 Sources: CEIC Data; Markit Economics; RBA.

China – Residential Property Indicators*



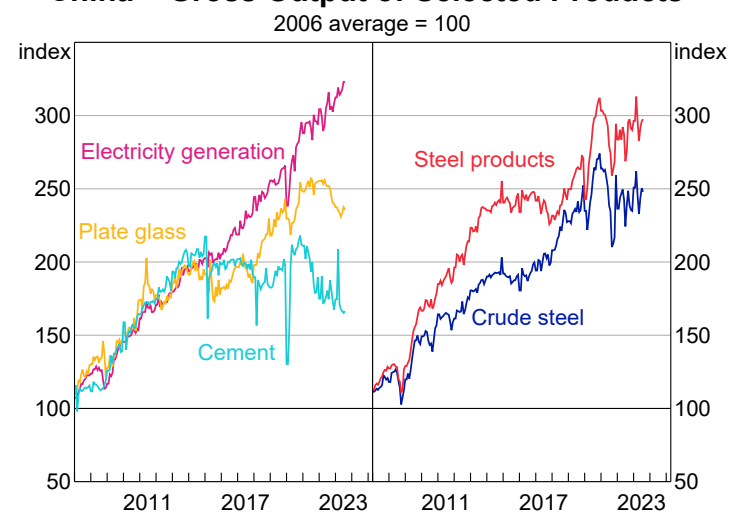
* Seasonally adjusted by the RBA.
 ** Year-ended.
 *** China Index Academy.
 **** Construction, installation, equipment purchases and other.
 Sources: CEIC Data; RBA; WIND Information.

China – Total Social Financing Growth

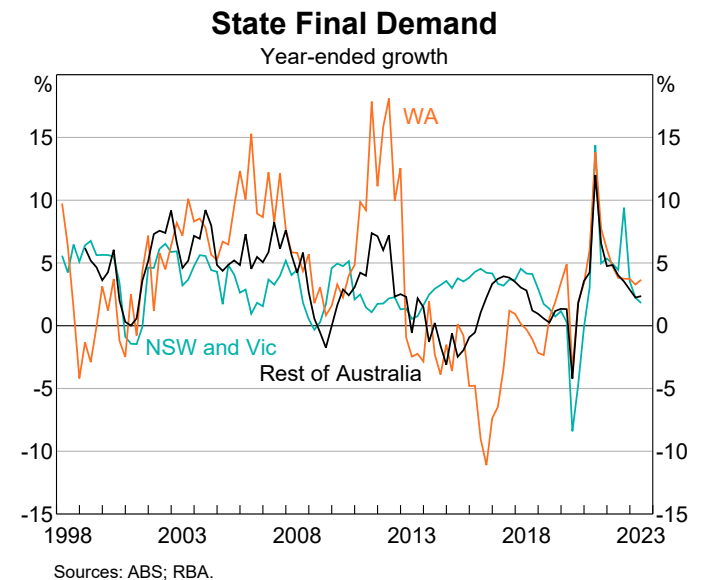
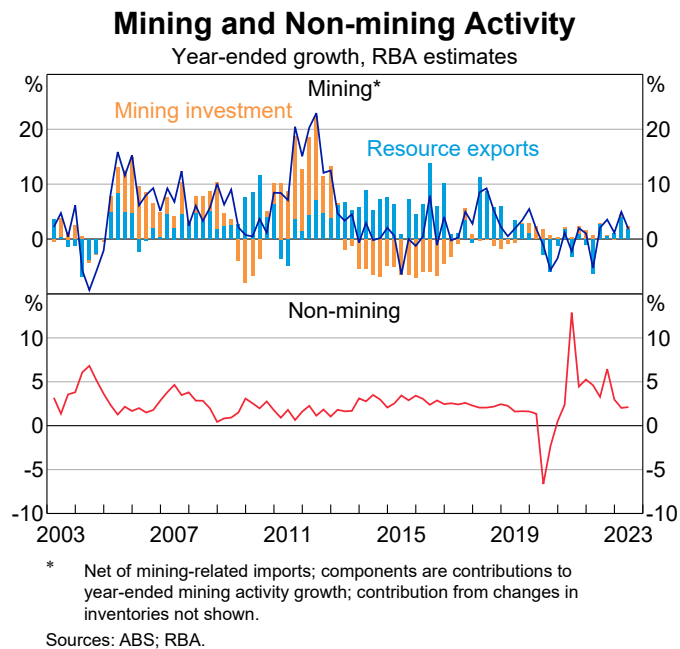
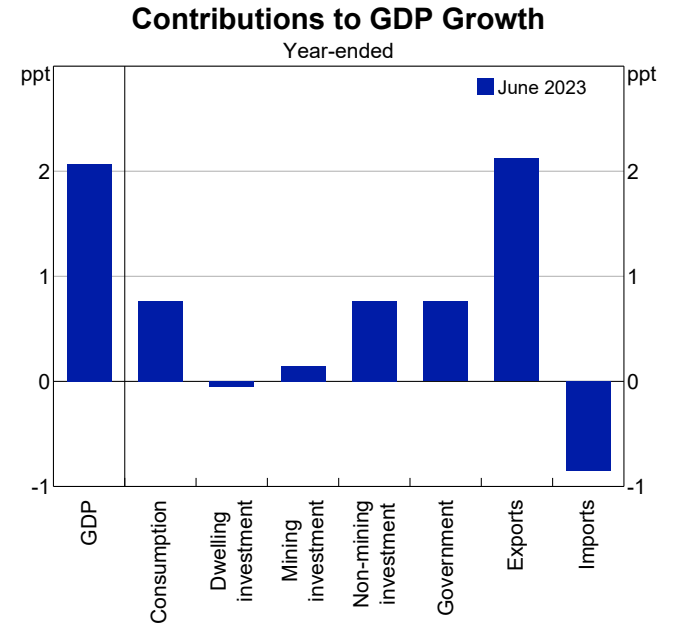
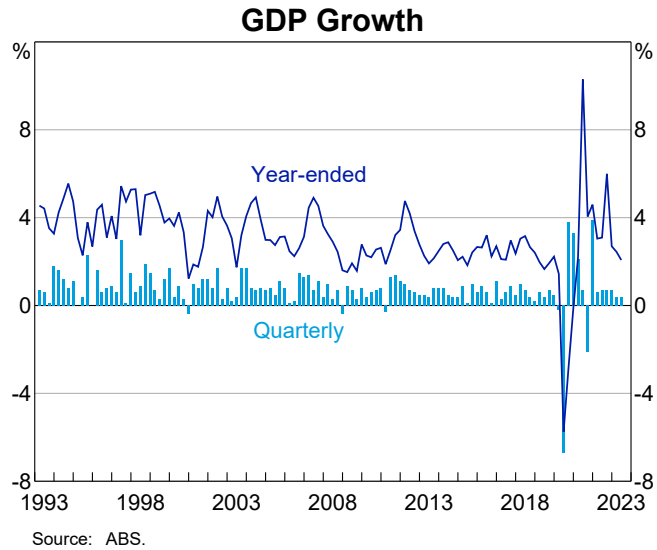


* Sum of business loans, securities financing and off-balance sheet financing.
 ** Net government bond issuance includes local government bond issuance to pay off debt previously classified as business financing, and uses RBA estimates prior to 2016.
 Sources: CEIC Data; RBA.

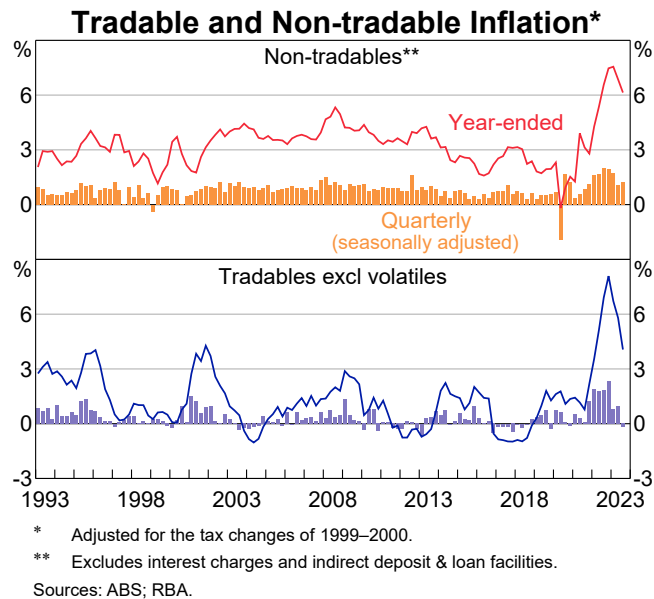
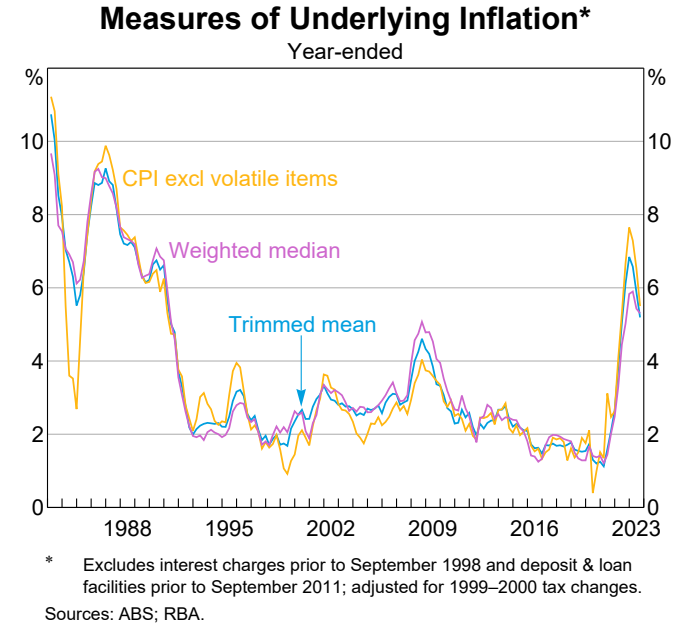
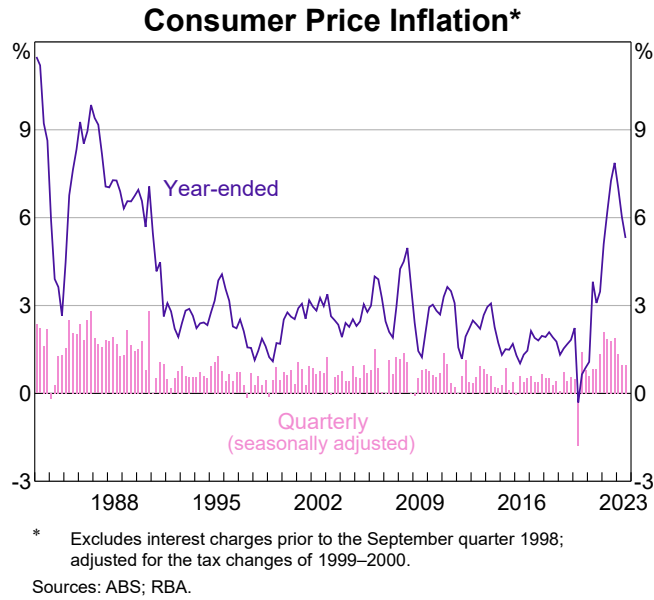
China – Gross Output of Selected Products*



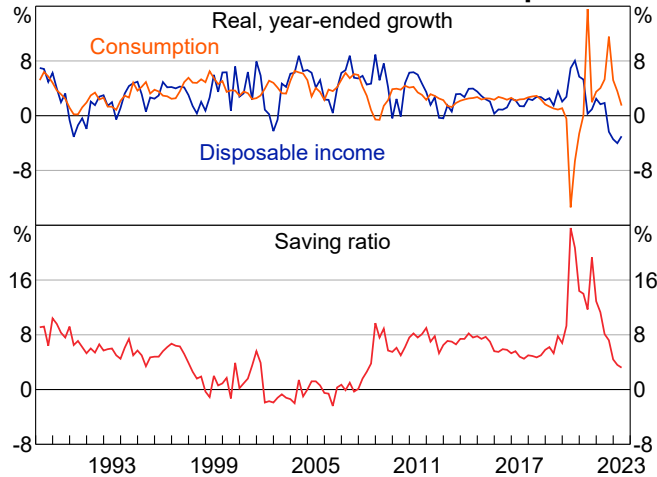
* Seasonally adjusted by the RBA.
 Sources: CEIC Data; RBA.



Australian Inflation



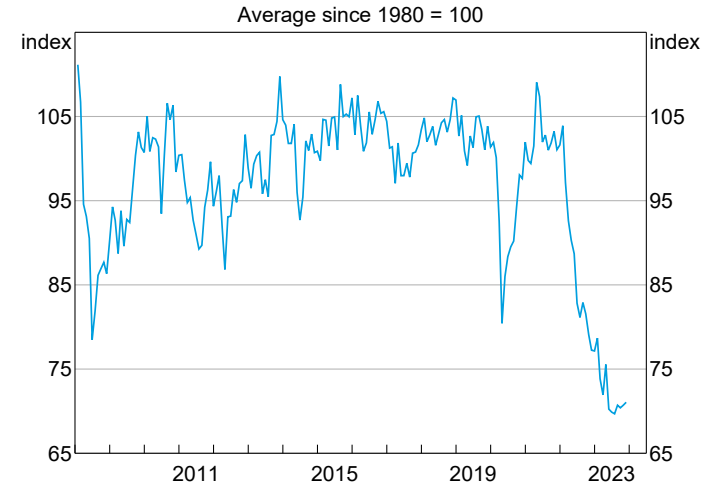
Household Income and Consumption*



* 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.

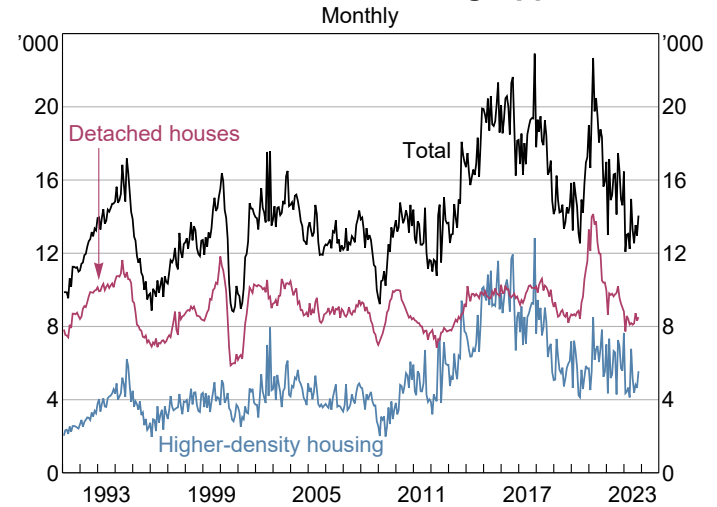
Private Dwelling Investment*



* Reference year is 2020/21.

Source: ABS.

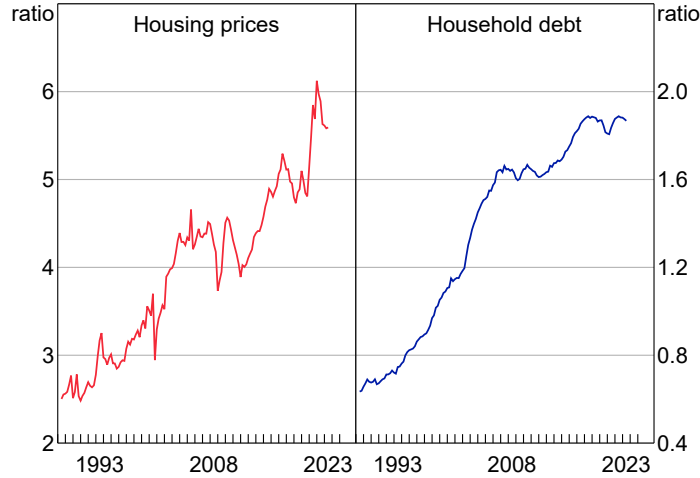
Private Residential Building Approvals



Source: ABS.

Housing Prices and Household Debt*

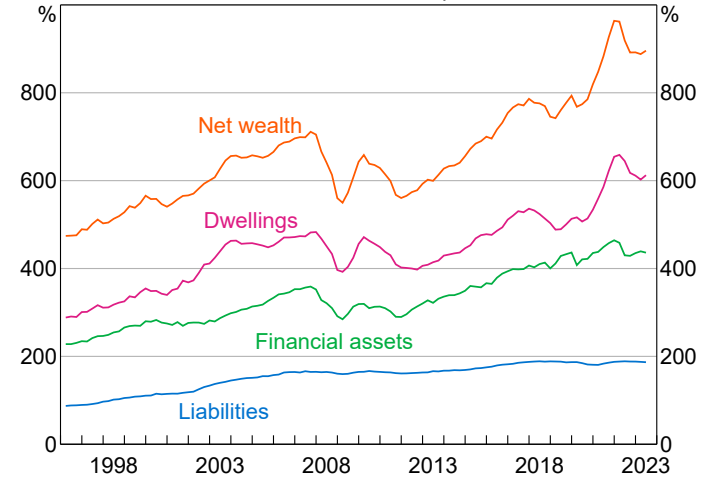
Ratio to household disposable income



* 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*

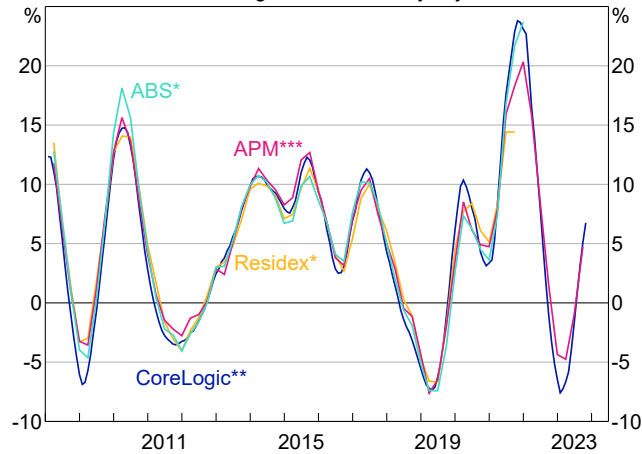
Per cent of annual household disposable income



* Household disposable income is after tax, before the deduction of interest payments, and includes income of unincorporated enterprises.
Sources: ABS; RBA.

Housing Prices

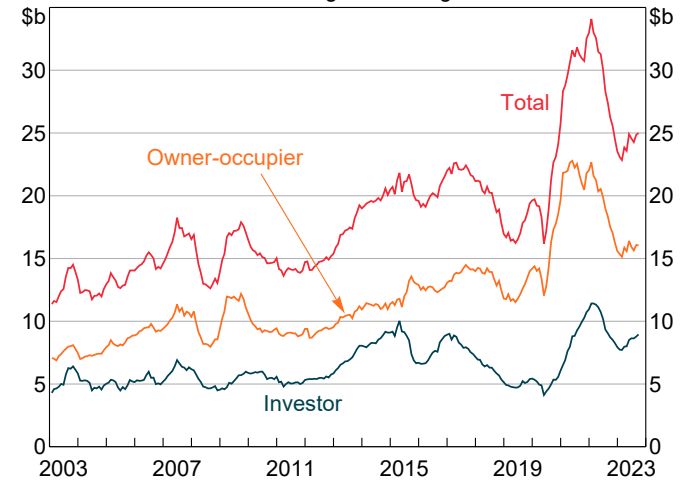
Year-ended growth, seasonally adjusted



* 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*

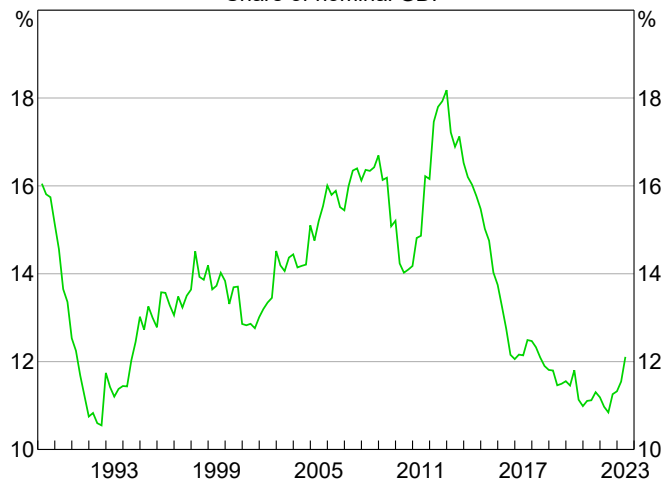
Excluding refinancing



* Seasonally adjusted.
Sources: ABS; RBA.

Business Investment*

Share of nominal GDP

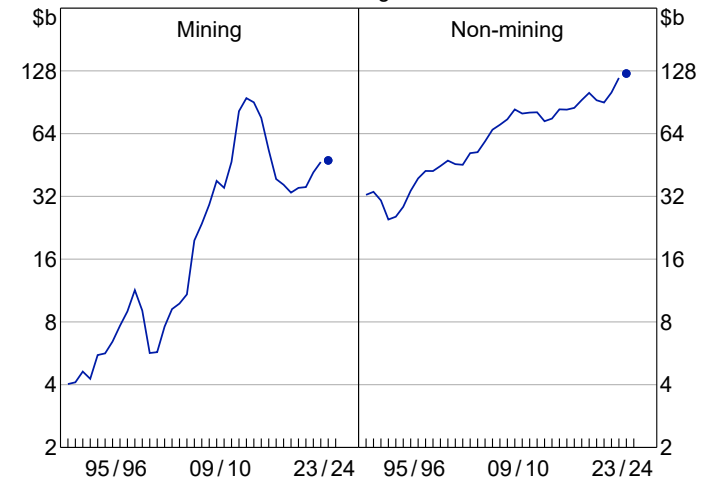


* Adjusted for second-hand asset transfers between the private and other sectors.

Source: ABS.

Capital Expenditure – Mining and Non-mining*

Nominal, log scale

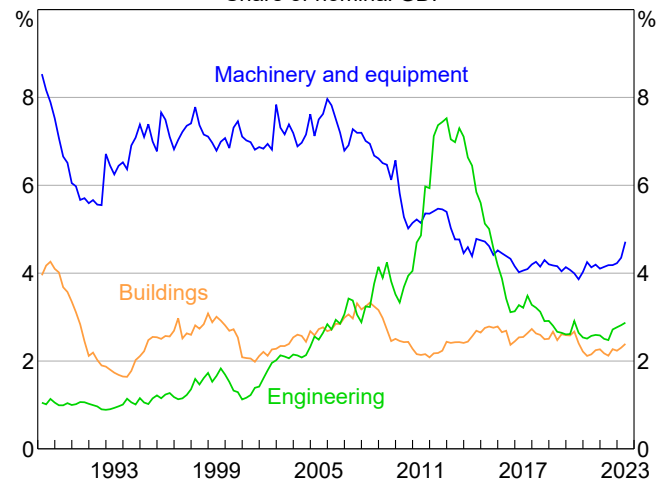


* Dots are firms' expectations for 2023/24; adjusted for historical differences between expected and realised spending.

Sources: ABS; RBA.

Business Investment Components*

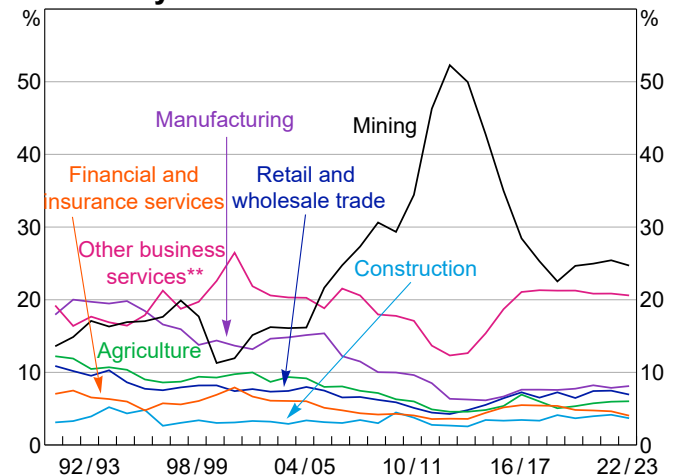
Share of nominal GDP



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

Source: ABS.

Industry Share of Business Investment*



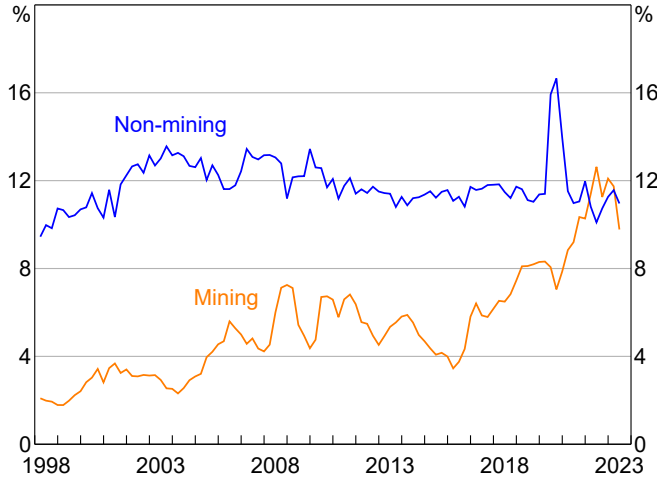
* Nominal; includes second hand asset transfers.

** 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*

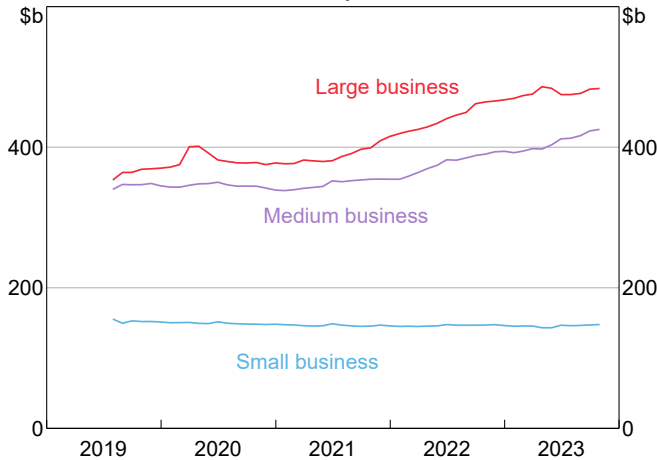
Share of nominal GDP



* Gross operating profits; inventory valuation adjusted.
Sources: ABS; RBA.

Lending to Businesses*

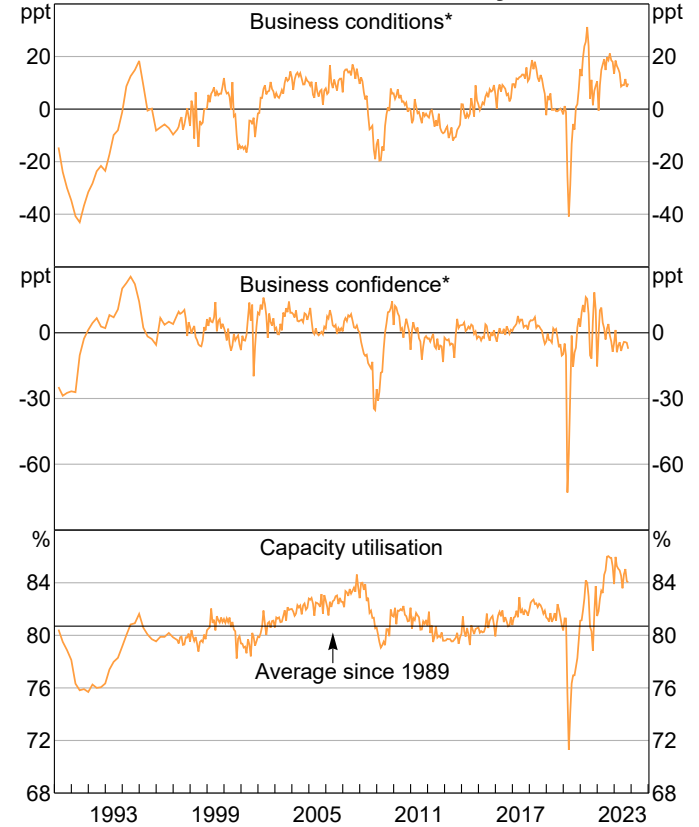
Break-adjusted



* EFS data are based on reporting of banks and finance companies that have \$2 billion or more of business credit. Data in April 2023 break-adjusted for revised definitions of business sizes for IRB reporting institutions.

Sources: APRA; RBA.

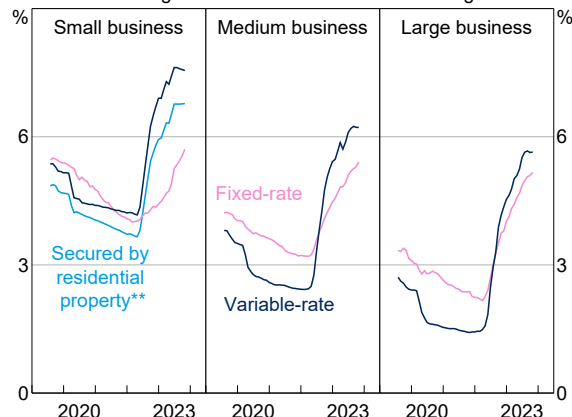
NAB Business Survey



* Net balance; deviation from average since 1989.
Sources: NAB; RBA.

Business Lending Rates*

Average interest rate on credit outstanding



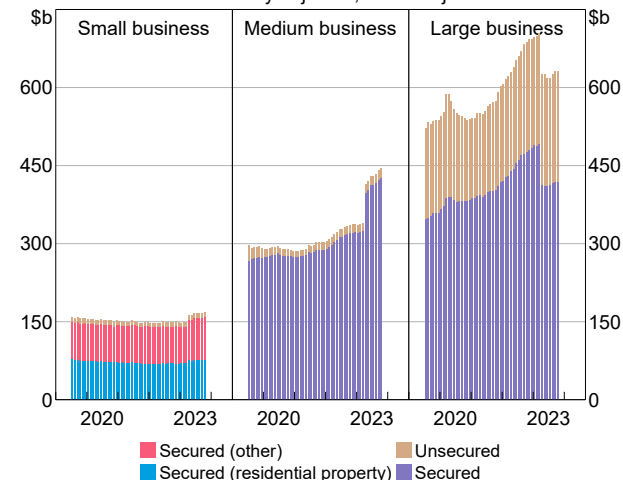
* Changes to business size definitions in April 2023 resulted in some large business credit being reclassified as medium business credit and some medium business credit being reclassified as small business credit.

** 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

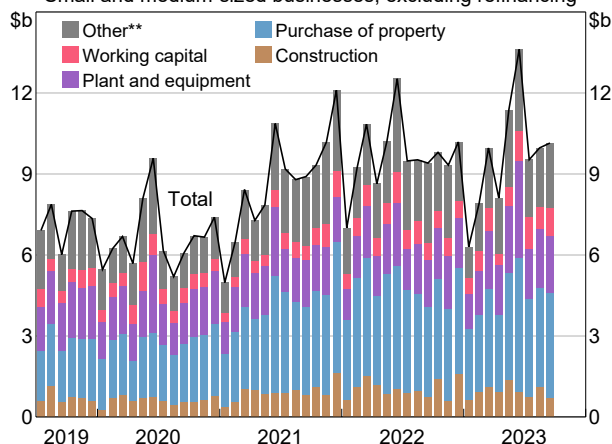


* Changes to business size definitions in April 2023 resulted in some large business credit being reclassified as medium business credit and some medium business credit being reclassified as small business credit.

Sources: APRA; RBA.

Business Loan Commitments*

Small and medium-sized businesses, excluding refinancing



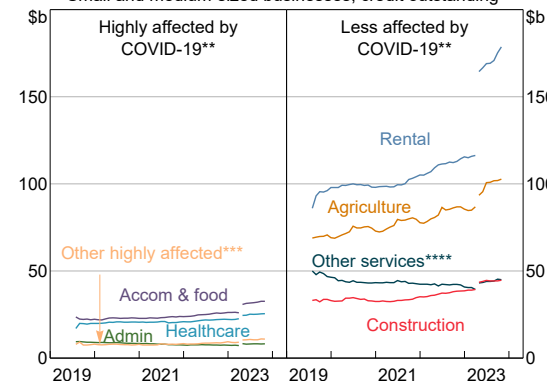
* Fixed-term loans; not seasonally adjusted. Changes to business size definitions in April 2023 resulted in some large business credit being reclassified as medium business credit and some medium business credit being reclassified as small business credit.

** Wholesale finance, acquisitions and general business purposes.

Sources: APRA; RBA.

Lending to Selected Industries

Small and medium-sized businesses, credit outstanding*



* Changes to business size definitions in April 2023 resulted in some large business credit being reclassified as medium business credit and some medium business credit being reclassified as small business credit.

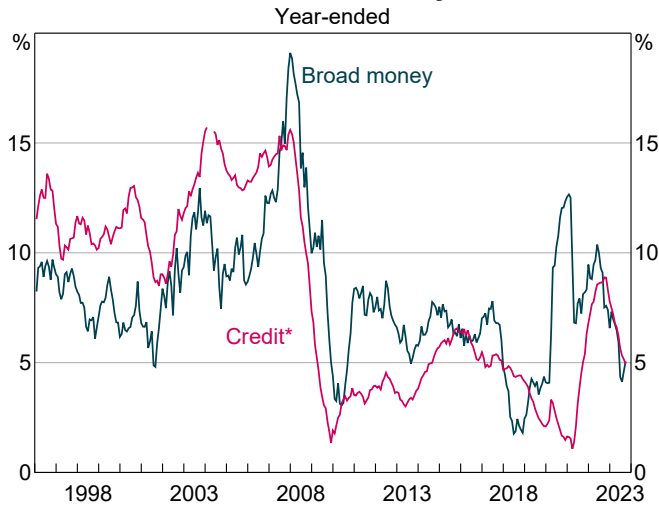
** Highly affected industries had the highest share of businesses report a fall in revenue of greater than 50 per cent in a June 2020 ABS survey; less affected industries are the top four by value of SME lending.

*** 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.

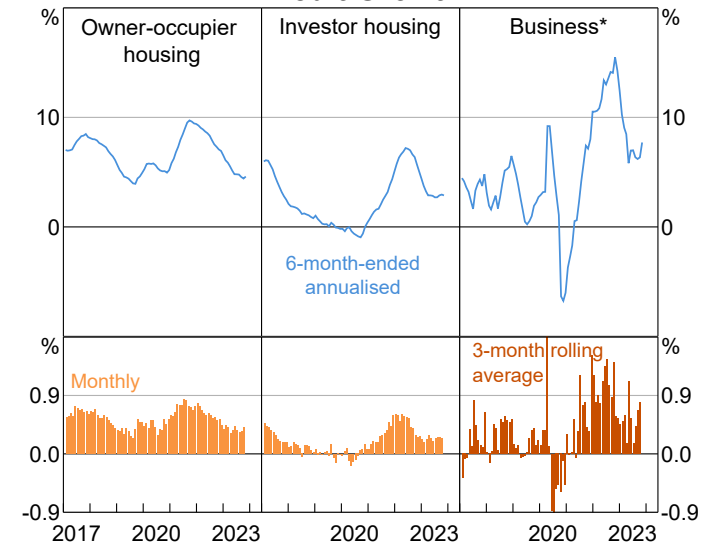
Credit and Broad Money Growth



* Excluding financial business post May 2004.

Sources: ABS; APRA; RBA.

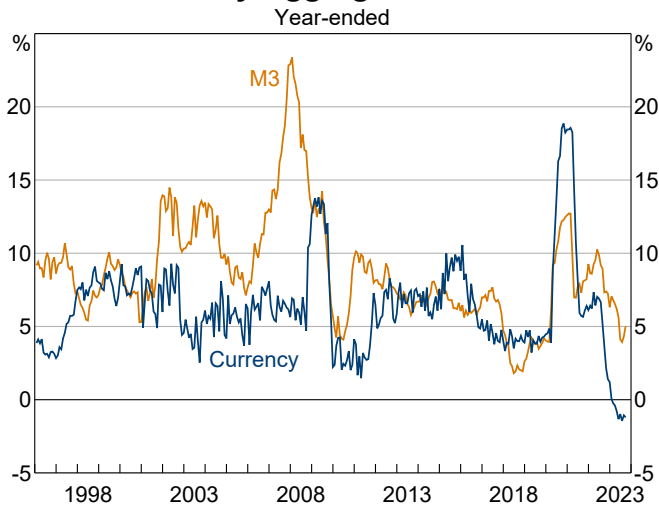
Credit Growth



* Excluding financial businesses.

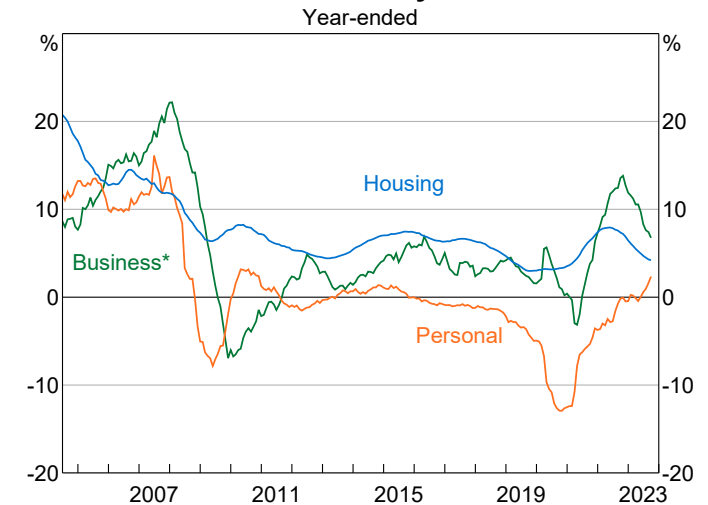
Sources: APRA; RBA.

Monetary Aggregates Growth



Sources: APRA; RBA.

Credit Growth by Sector

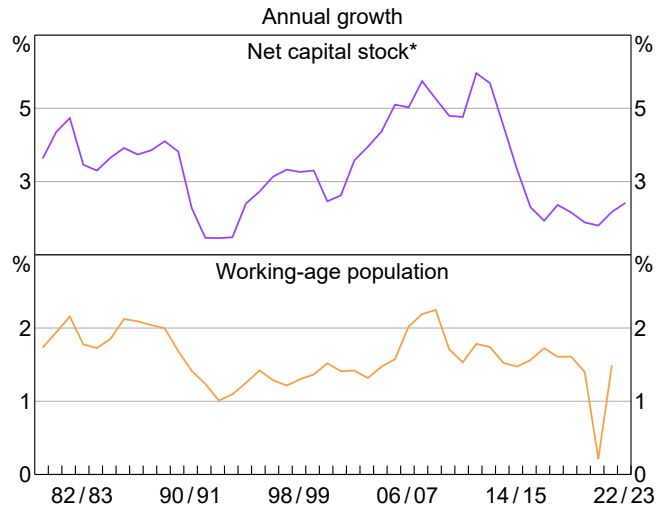


* Excluding financial businesses.

Sources: ABS; APRA; RBA.

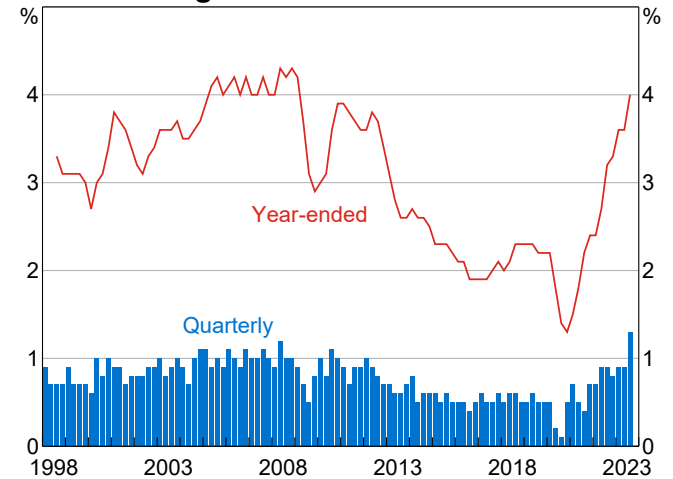
Factors of Production and Labour Market

Factors of Production



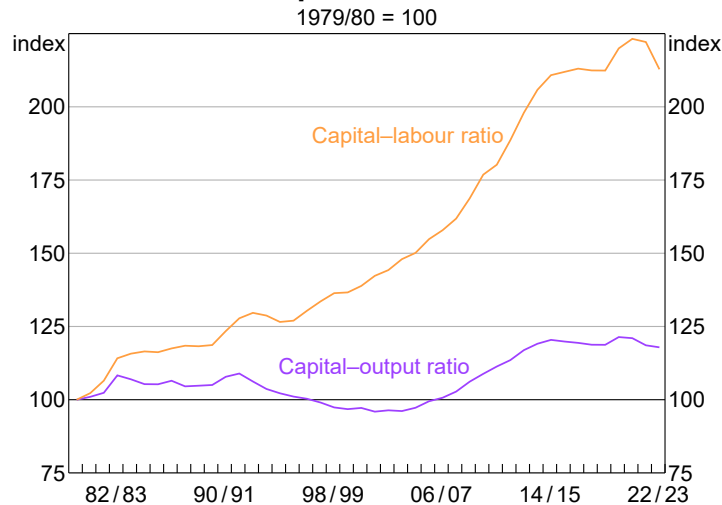
* Excluding livestock & orchards, dwellings and ownership transfer costs.
Sources: ABS; RBA.

Wage Price Index Growth*



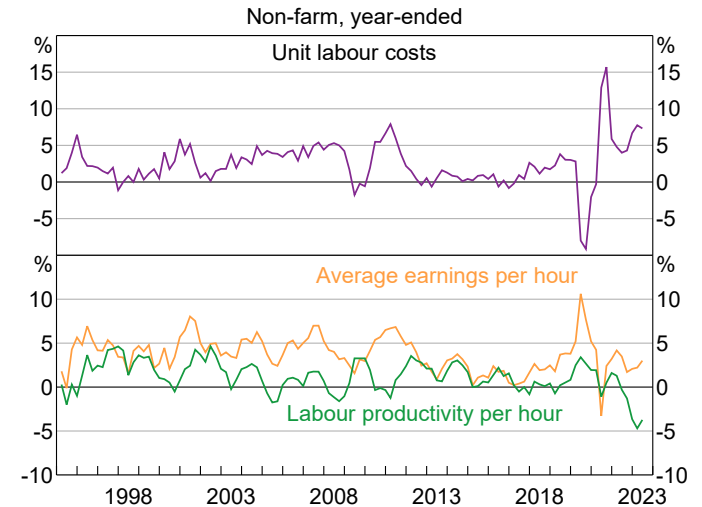
* Total pay excluding bonuses.
Source: ABS.

Capital Ratios*



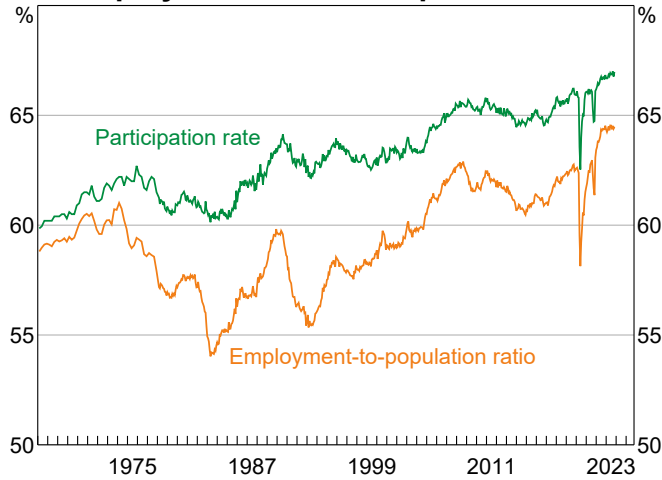
* Capital stock excludes livestock & orchards, dwellings and ownership transfer costs.
Sources: ABS; RBA.

Unit Labour Costs Growth



Sources: ABS; RBA.

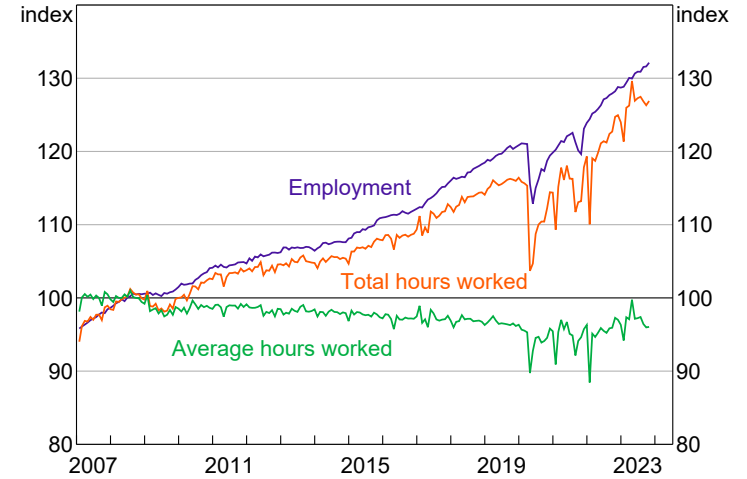
Employment and Participation Rates



Source: ABS.

Employment and Hours Worked*

2008 average = 100

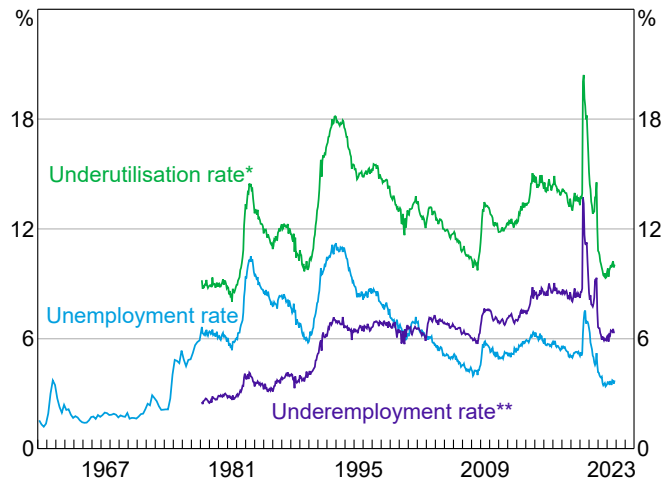


* Seasonally adjusted.

Sources: ABS; RBA.

Labour Underutilisation Rates

Heads-based



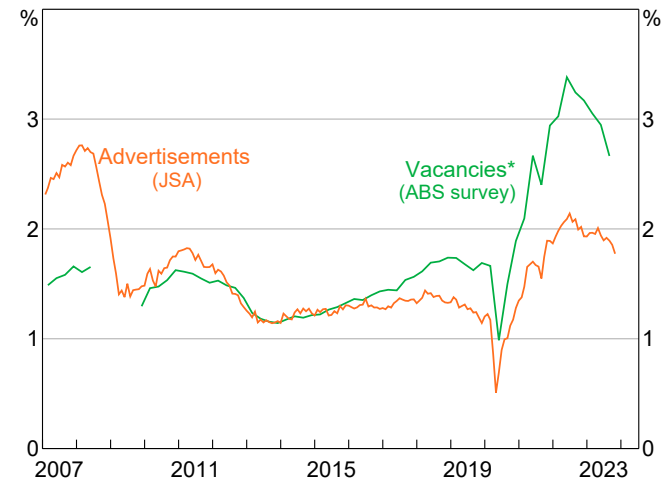
* Sum of the unemployment and underemployment rates.

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

Source: ABS.

Job Vacancies and Advertisements

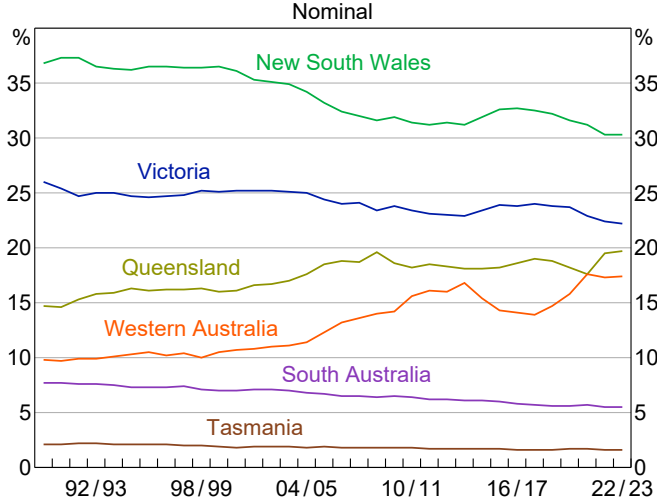
Per cent of labour force



* This survey was suspended between May 2008 and November 2009.

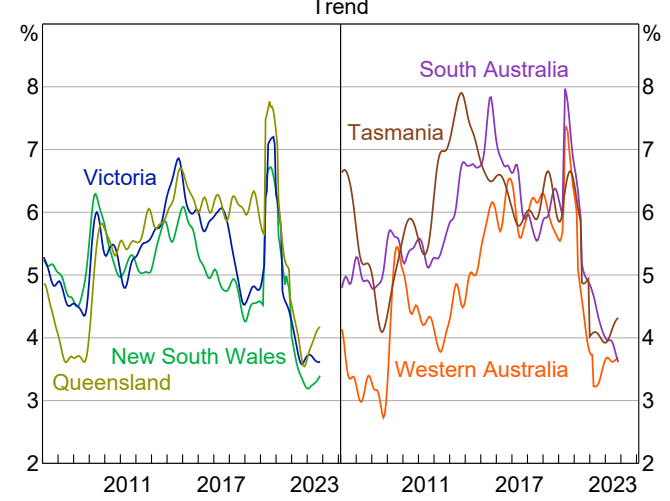
Sources: ABS; Jobs and Skills Australia (JSA); RBA.

State Share of Output



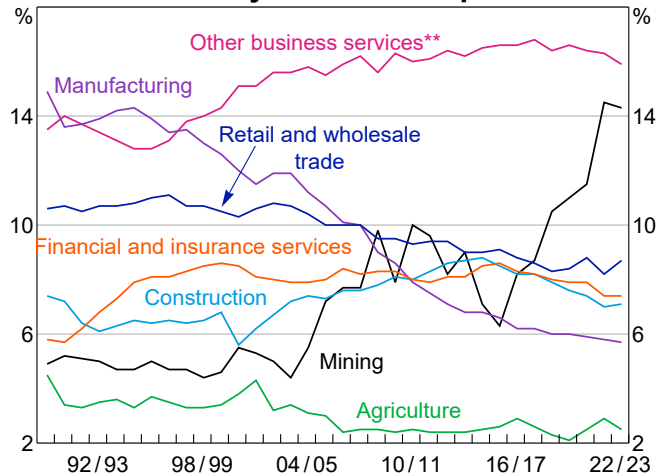
Source: ABS.

State Unemployment Rates



Source: ABS.

Industry Share of Output*

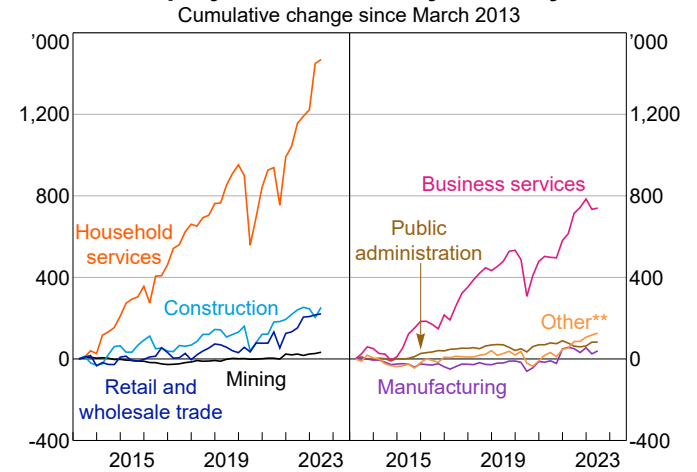


* Nominal gross value added.

** 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*



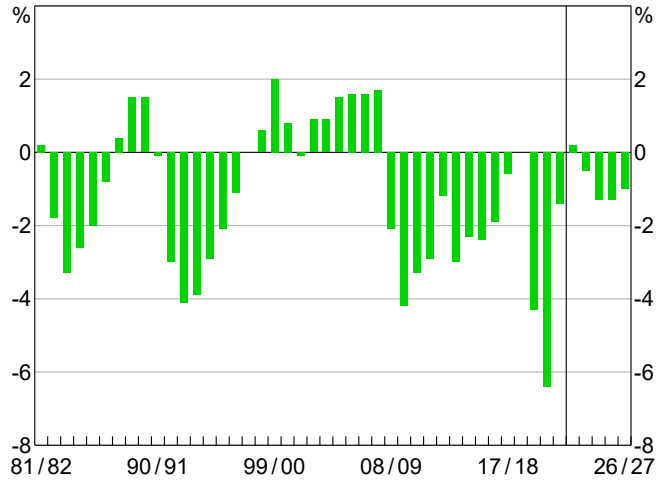
* The trend series have been suspended from June 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period.

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

Source: ABS.

Australian Government Budget Balance*

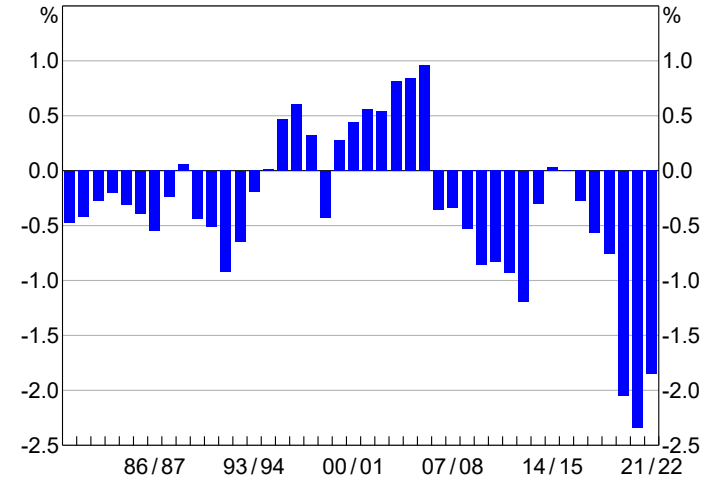
Per cent of nominal GDP



* Underlying cash balance; 2023/24 Budget.
Source: Australian Treasury.

State Budget Balances*

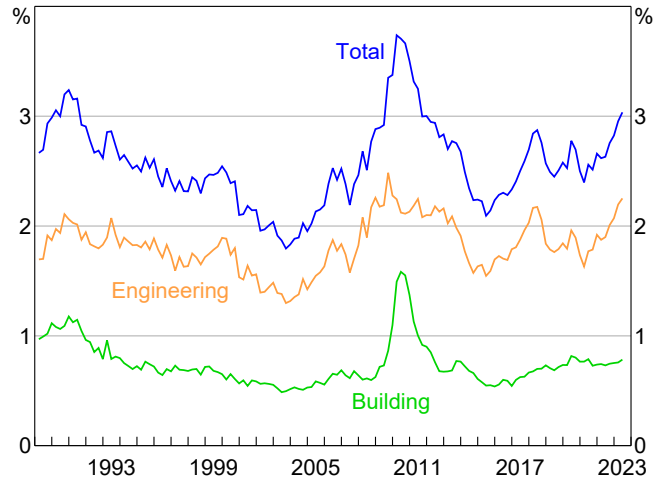
Per cent of nominal GDP



* Underlying cash balance.
Source: ABS.

Public Construction Work Done

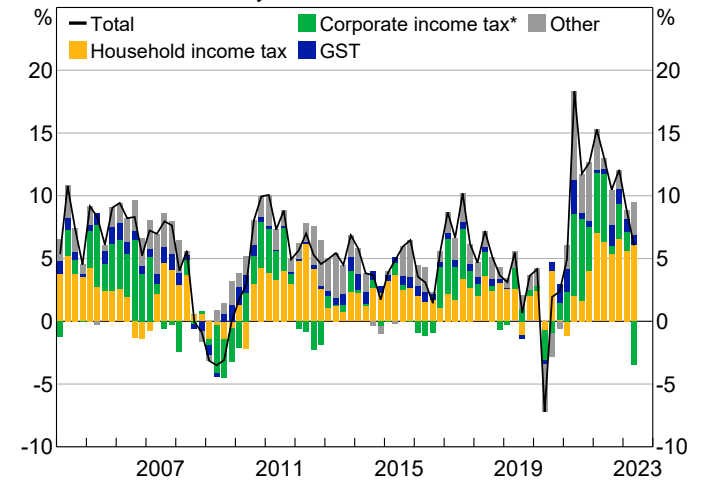
Per cent of nominal GDP



Source: ABS.

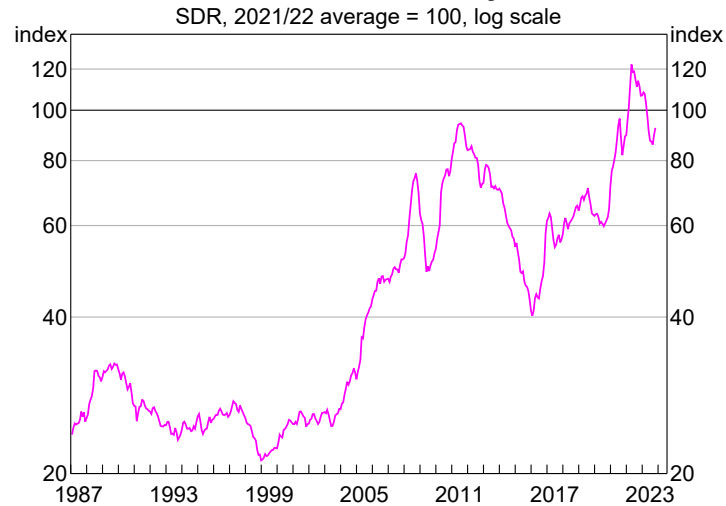
Taxation Revenue Growth

Nominal, year-ended with contributions

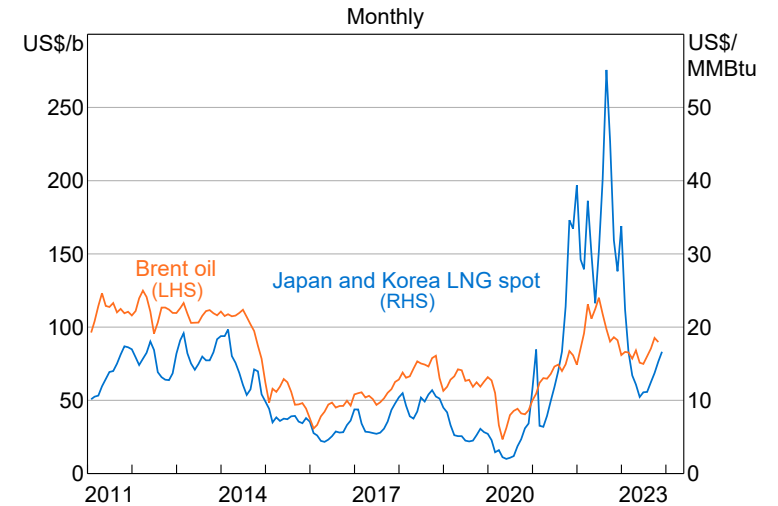


* Only includes taxation of resident corporations.
Source: ABS.

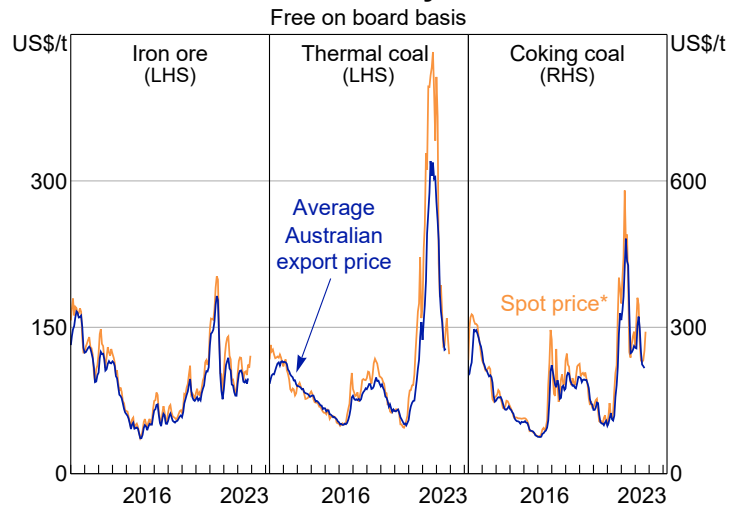
RBA Index of Commodity Prices



Oil and LNG Prices



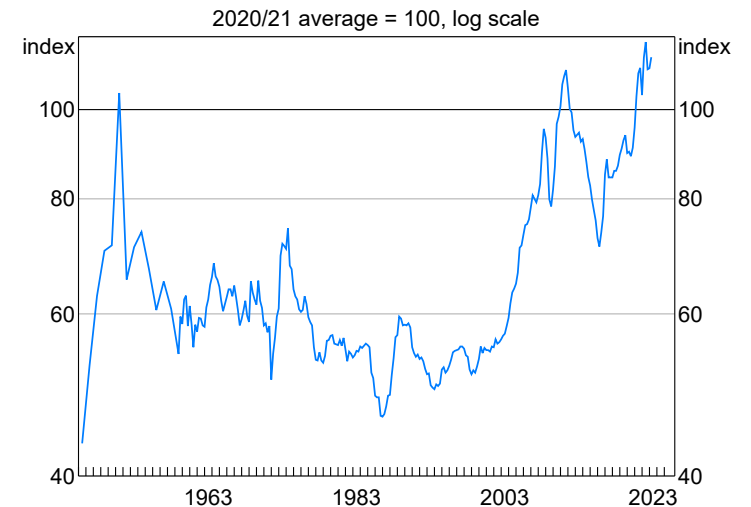
Bulk Commodity Prices



* Iron ore 62% Fe fines index; Newcastle thermal coal and premium hard coking coal.

Sources: ABS; Bloomberg; McCloskey by OPIS; RBA.

Terms of Trade*



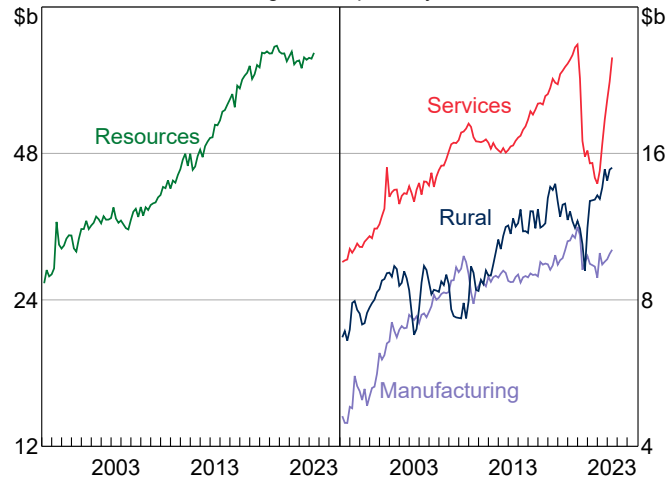
* Annual data are used prior to 1960.

Sources: ABS; RBA.

Balance of Payments and External Position

Export Volumes

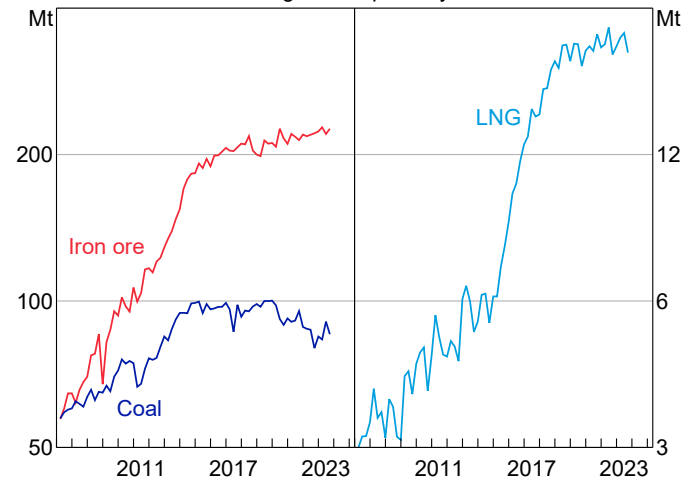
Log scale, quarterly



Sources: ABS; RBA.

Resource Exports*

Log scale, quarterly

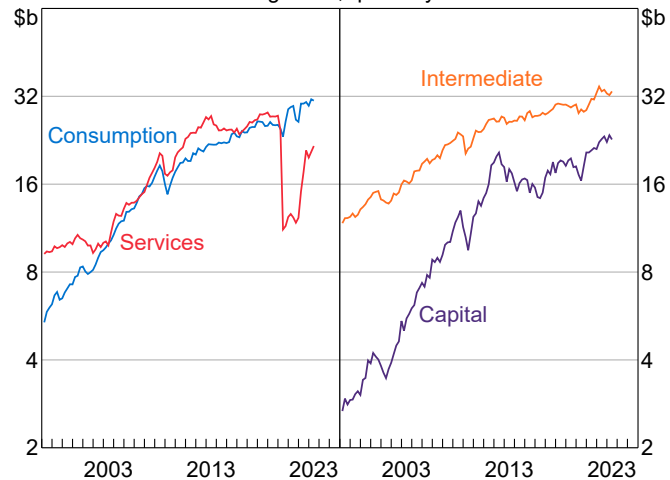


* Seasonally adjusted by the RBA.

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

Import Volumes

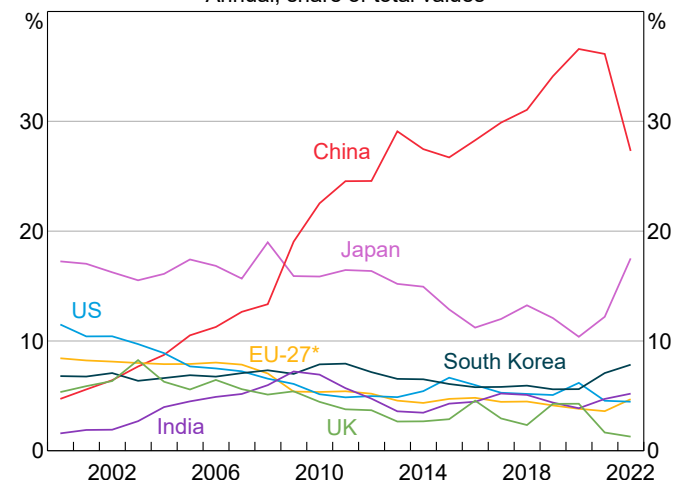
Log scale, quarterly



Source: ABS.

Exports by Destination

Annual, share of total values

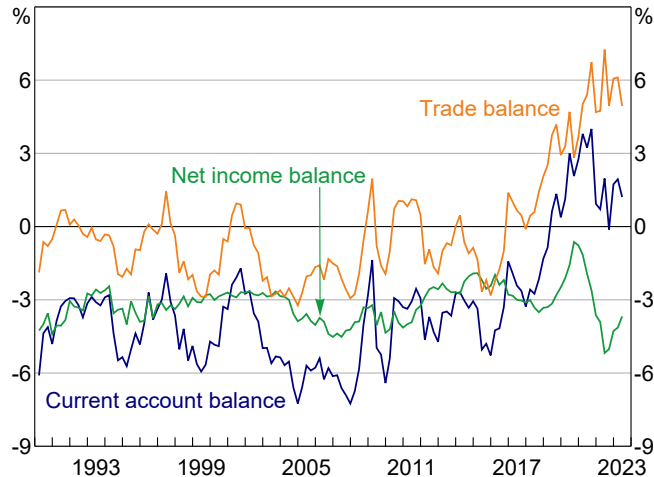


* The series has been revised to exclude the UK.

Sources: ABS; RBA.

Current Account Balance

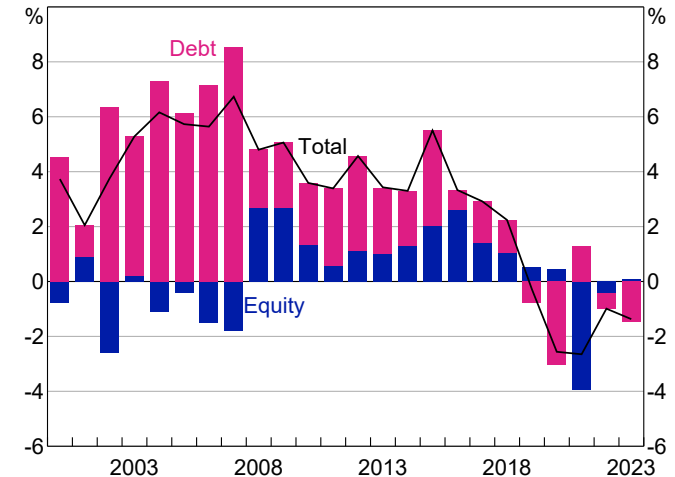
Per cent of nominal GDP



Source: ABS.

Net Capital Inflow*

Per cent of nominal GDP

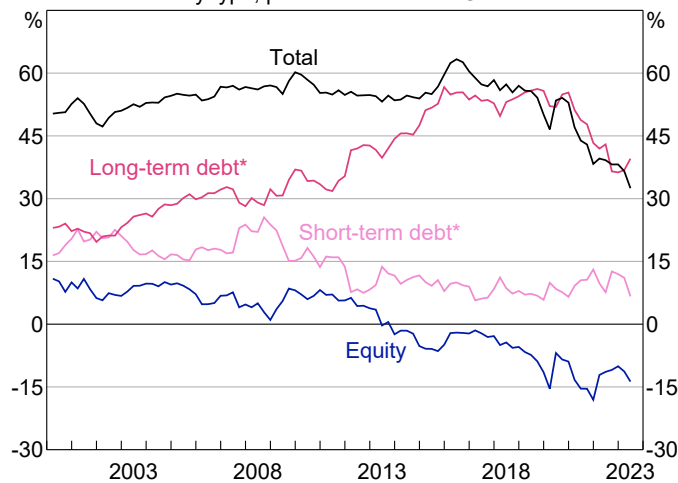


* Latest year includes data for the year to date.

Source: ABS.

Net Foreign Liabilities

By type, per cent of nominal GDP

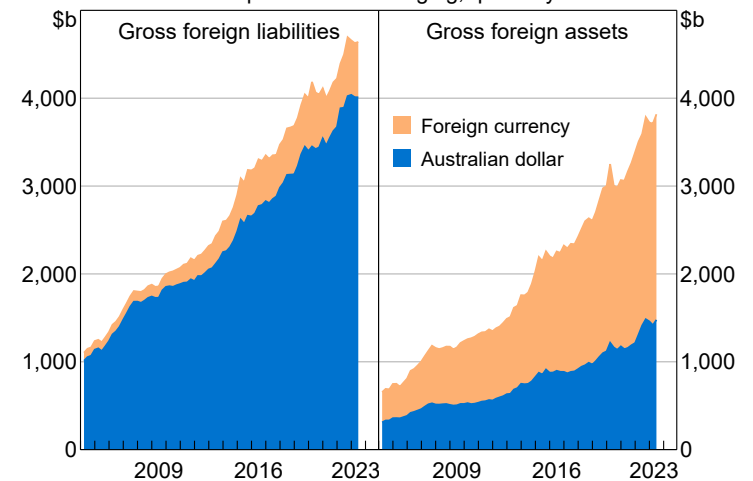


* Short-term includes debt with residual maturity of one year or less; long-term includes all other debt.

Source: ABS.

External Position*

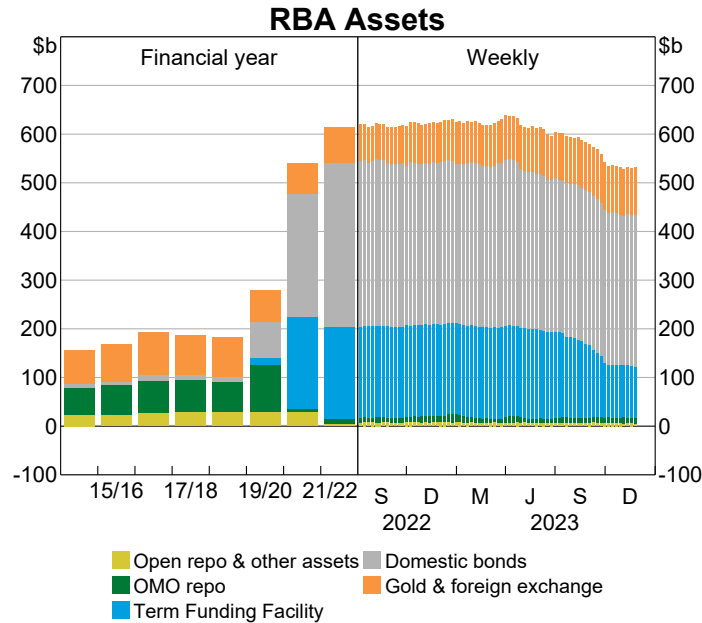
Composition after hedging, quarterly



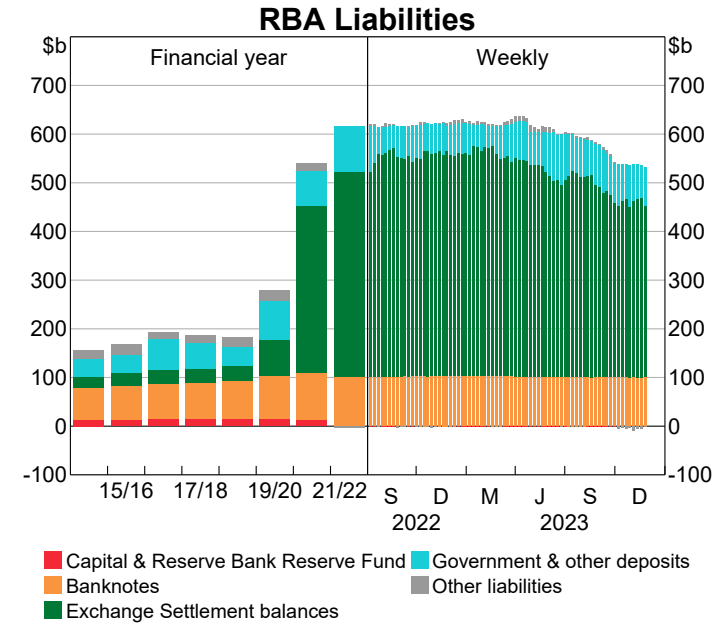
* Hedge ratios inferred from ABS Foreign Currency Exposure surveys.

Sources: ABS; RBA.

Central Bank Balance Sheets and Bond Purchases



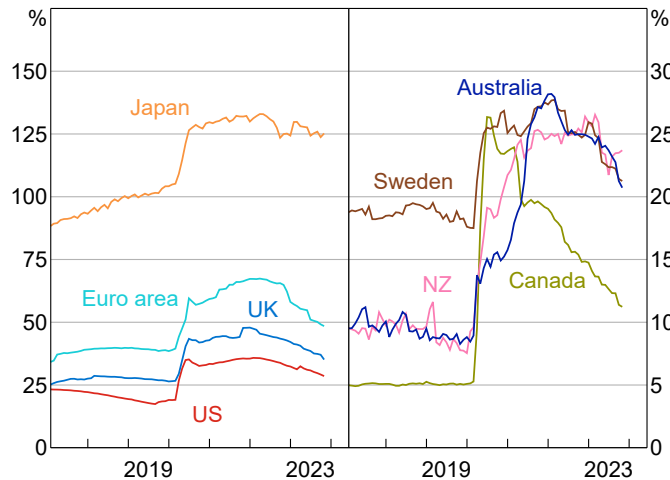
Source: RBA.



Source: RBA.

Central Bank Total Assets

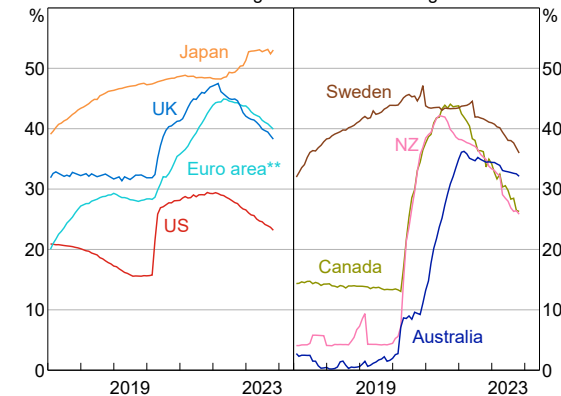
Per cent of GDP



Sources: Central banks; RBA; Refinitiv.

Central Bank Government Bond Holdings

Per cent of eligible stock outstanding*

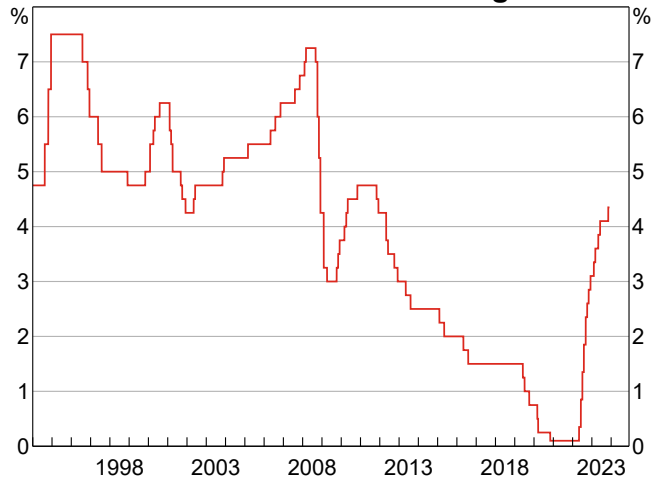


* Data include nominal and inflation-linked bonds issued by central governments that are eligible for purchase in the secondary market under central banks' government bond purchase programs (for Australia, this is nominal Australian Government Securities only); data for euro area also include eligible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

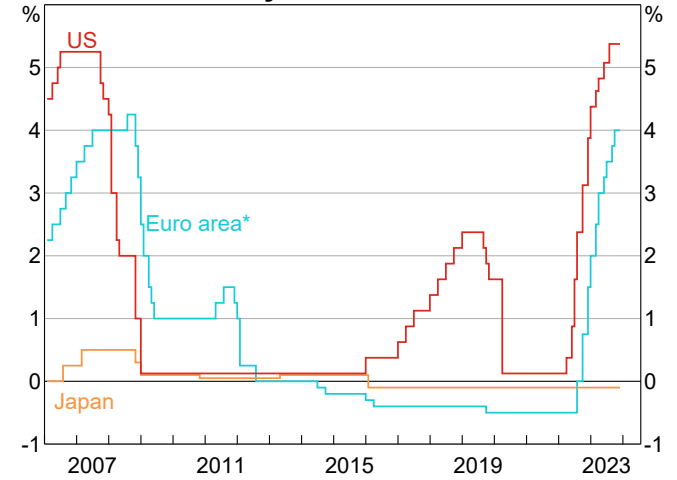
Sources: Central banks; debt management offices; RBA; Refinitiv.

Australian Cash Rate Target



Source: RBA.

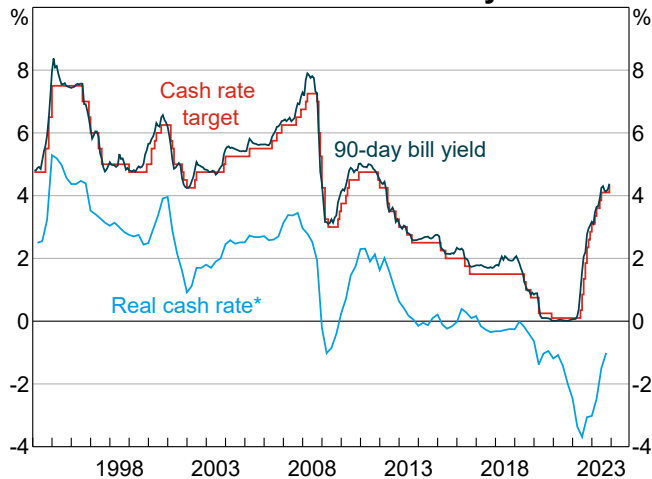
Policy Interest Rates



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

Source: Central banks.

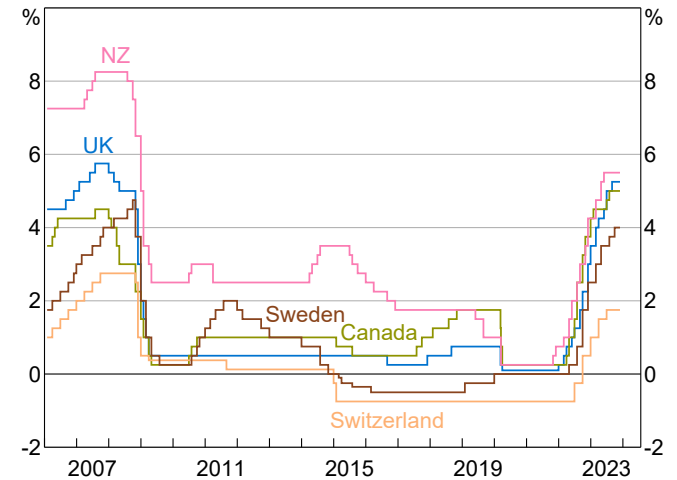
Australian Cash Rate and 90-day Bill Yield



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

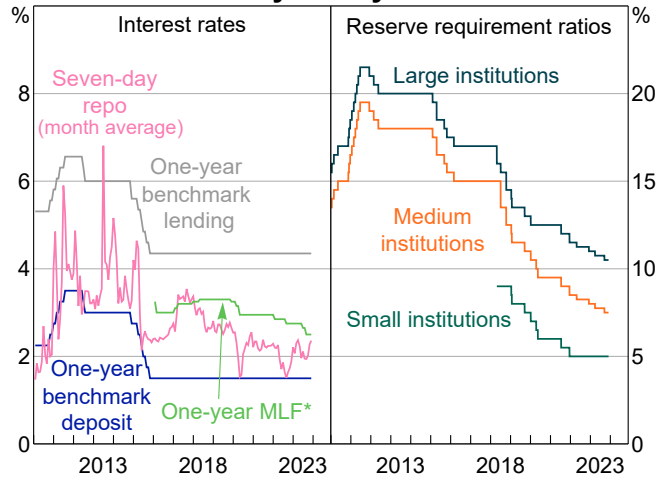
Sources: ABS; AFMA; ASX; RBA.

Policy Interest Rates – Selected Advanced Economies



Source: Central banks.

Monetary Policy – China



* Medium term lending facility.

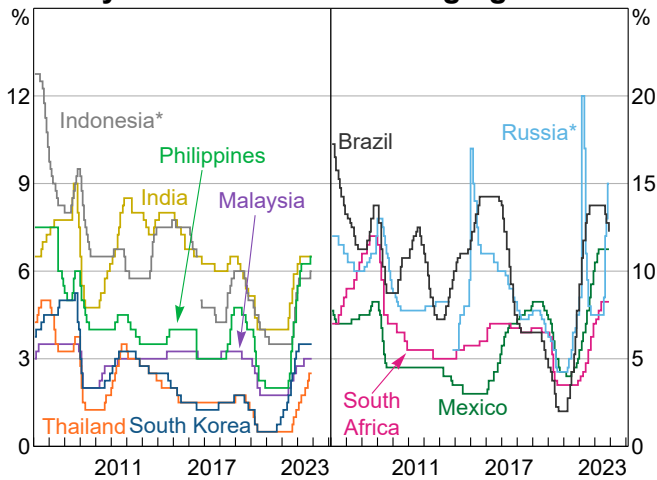
Sources: CEIC Data; RBA.

10-year Australian Government Bond Yield



Sources: Bloomberg; RBA.

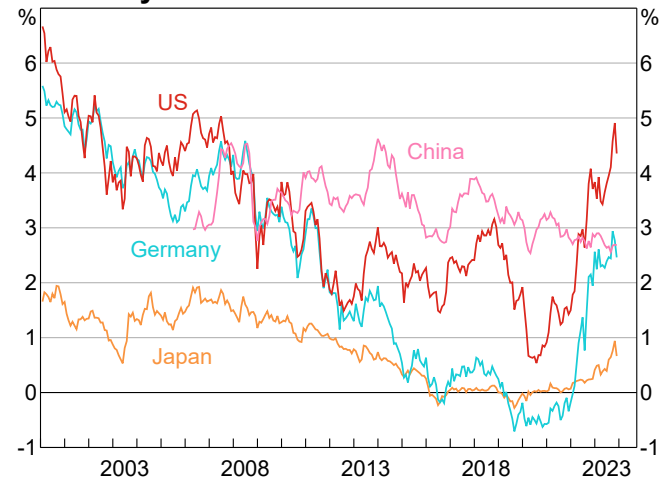
Policy Interest Rates – Emerging Markets



* Breaks in series indicate changes in the official policy rates for Russia (September 2013) and Indonesia (August 2016).

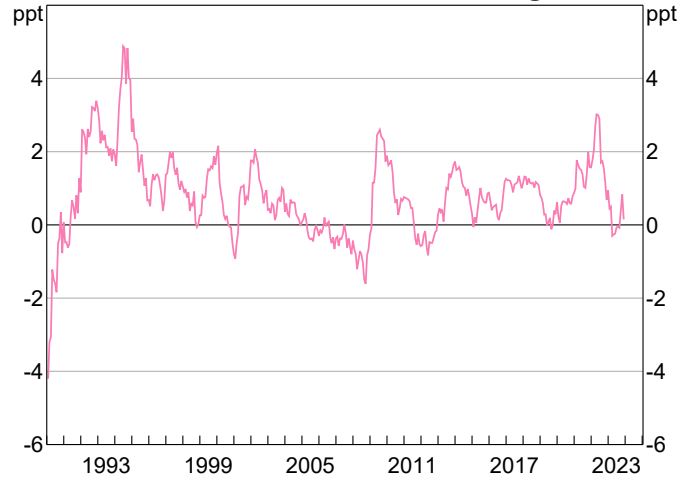
Source: Central banks.

10-year Government Bond Yields



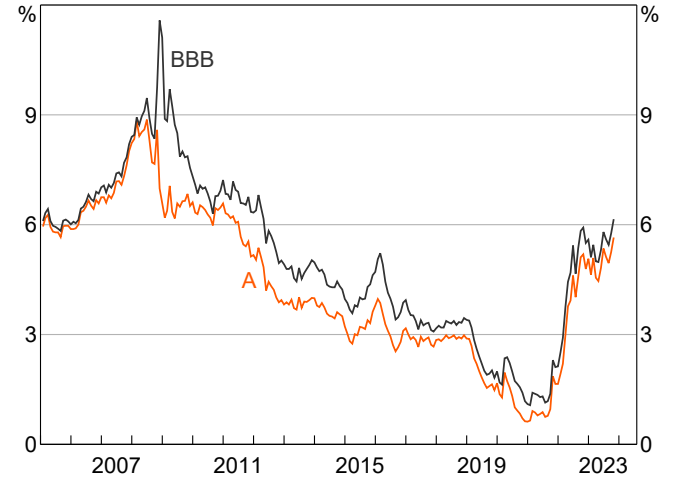
Sources: CEIC Data; Refinitiv.

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



Source: RBA.

Australian Non-financial Corporate Bond Yields
3-year target



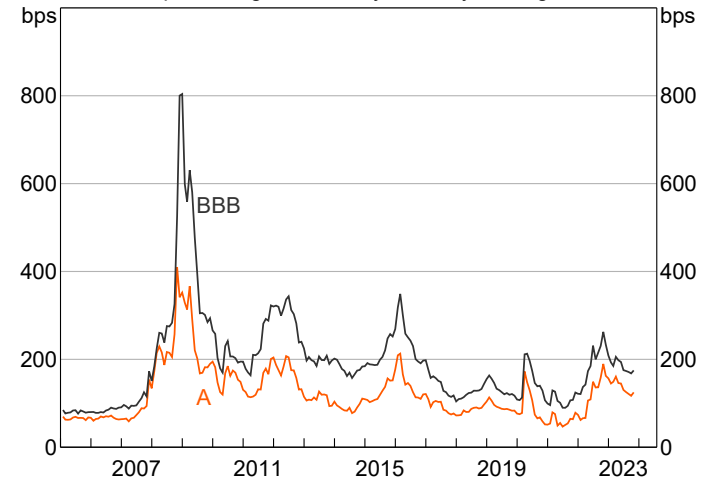
Sources: Bloomberg; RBA.

Differential between Australian and US 10-year Government Bond Yields

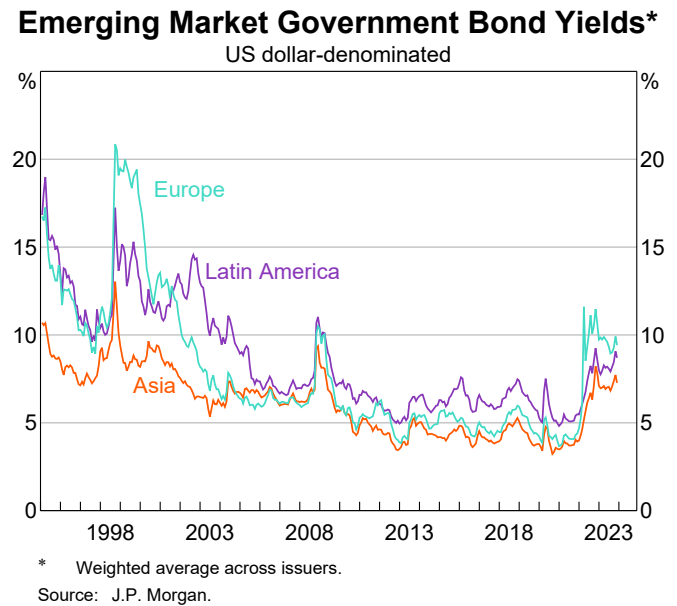
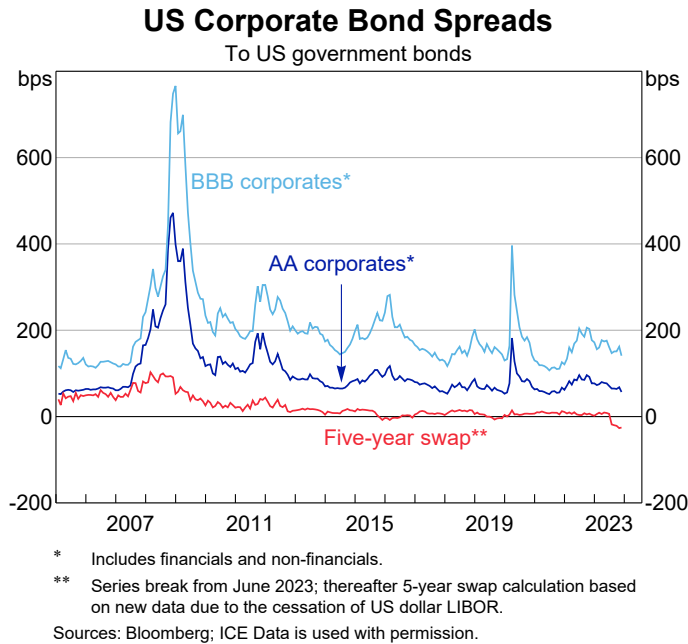
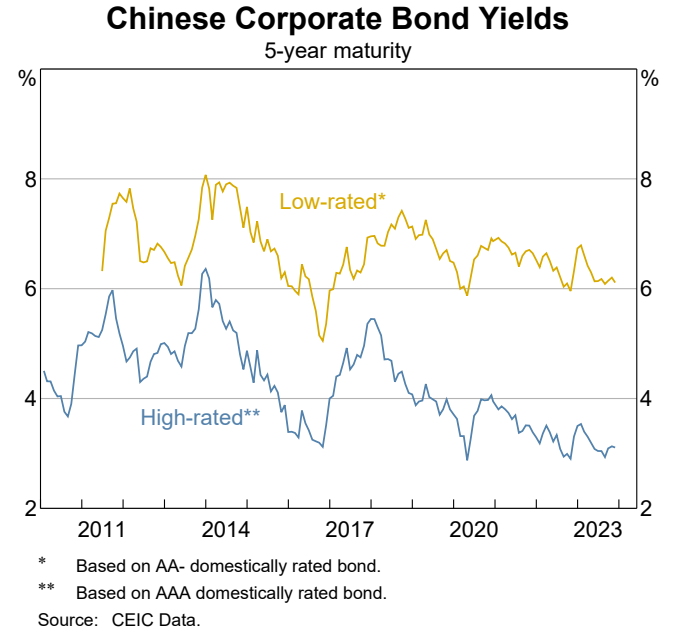
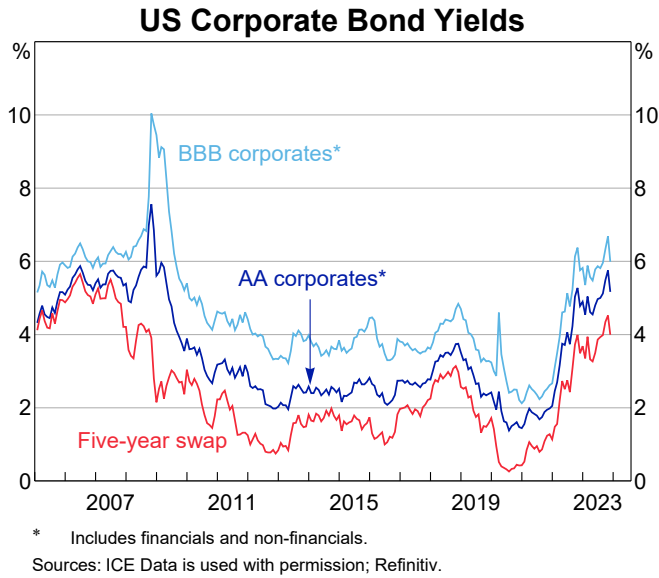


Sources: Bloomberg; RBA; Refinitiv.

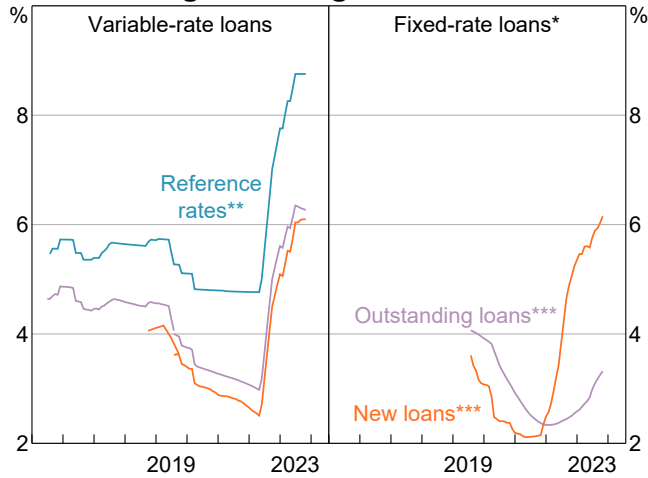
Australian Non-financial Corporate Bond Spreads
Spread to government yields; 3-year target



Sources: Bloomberg; RBA.

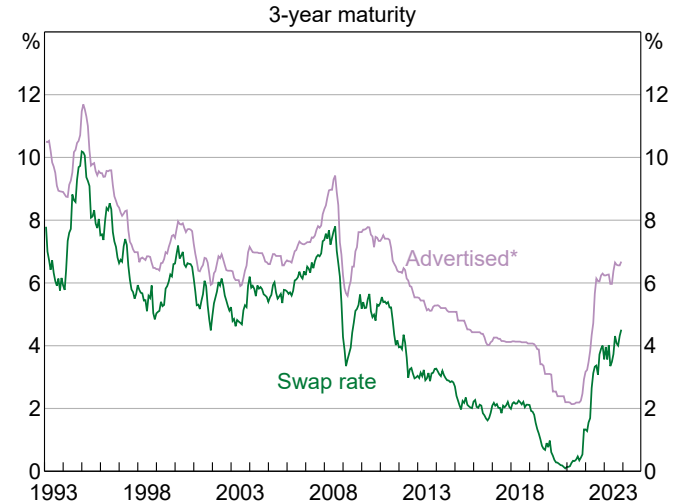


Average Housing Interest Rates



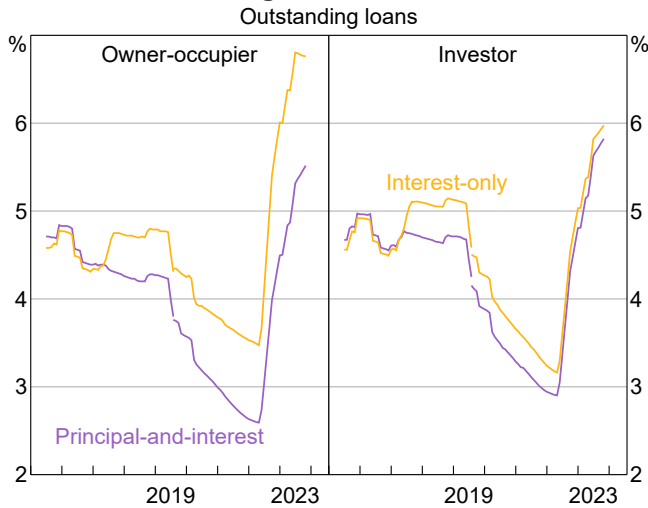
* Weighted average interest rate across all fixed-rate periods.
 ** Major banks' standard reference rates for owner-occupier variable-rate loans.
 *** Series break in July 2019; thereafter, data based on EFS collection.
 Sources: APRA; banks' websites; CANSTAR; RBA; Securitisation System.

Fixed Housing Interest Rates



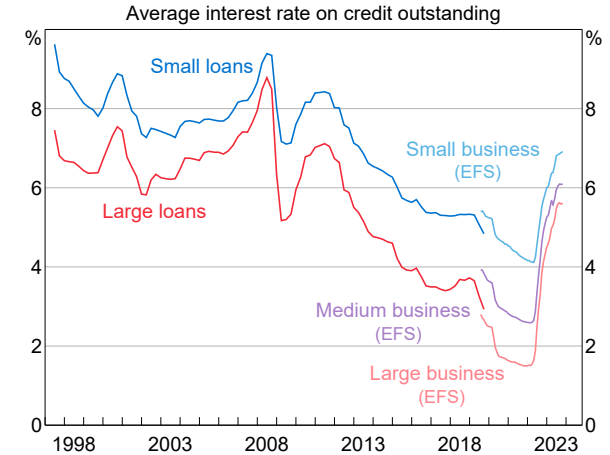
* Available to owner-occupiers.
 Sources: Banks' websites; CANSTAR; RBA; Refinitiv.

Housing Interest Rates*



* Average of variable-rate securitised loans to 2019; thereafter, average of fixed and variable-rate loans, based on EFS data.
 Sources: APRA; RBA; Securitisation System.

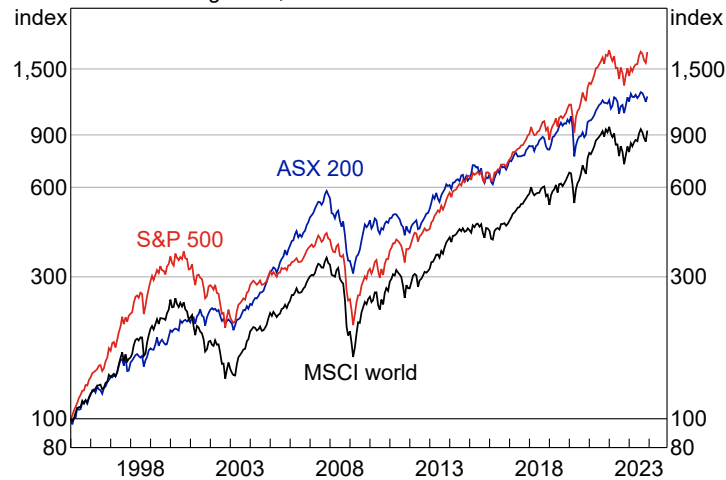
Australian Business Lending Rates*



* Small loans are loans less than \$2 million; large loans are loans \$2 million or more; new series from July 2019 are from the Economic and Financial Statistics (EFS) collection (see Statistical Table F7). Changes to business size definitions in April 2023 resulted in some large business credit being reclassified as medium business credit and some medium business credit being reclassified as small business credit.
 Sources: APRA; RBA.

Share Price Accumulation Indices

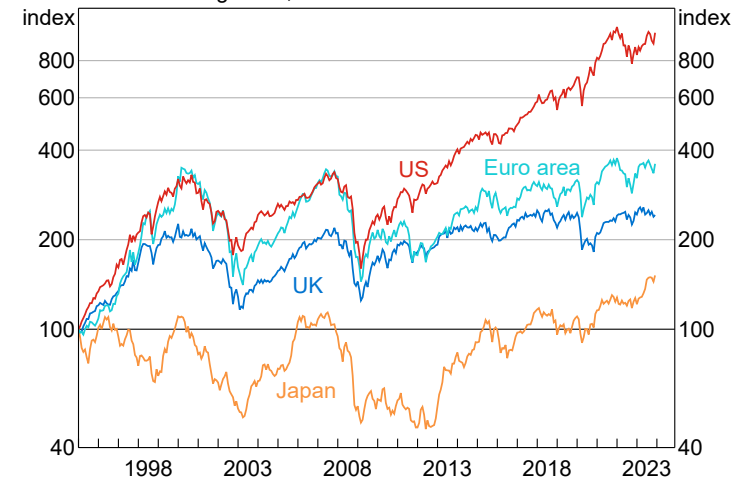
Log scale, end December 1994 = 100



Sources: Bloomberg; RBA.

Advanced Economies' Share Price Indices

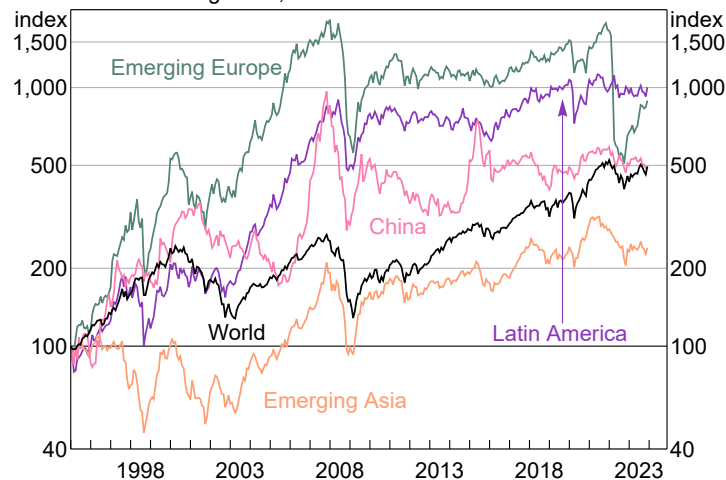
Log scale, end December 1994 = 100



Sources: Bloomberg; RBA.

Emerging Markets' Share Price Indices*

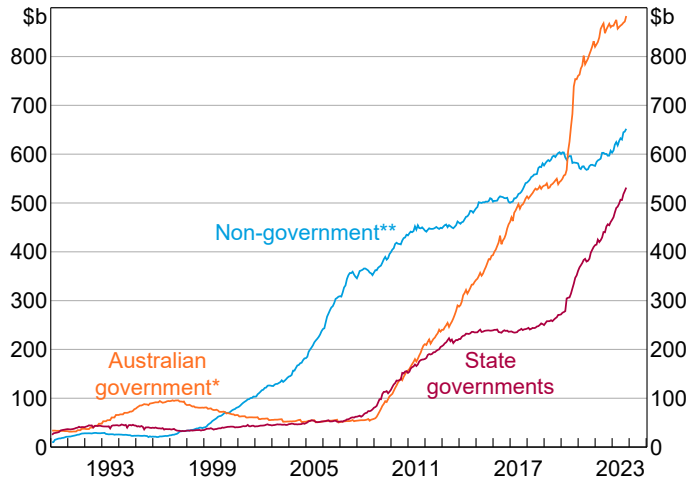
Log scale, end December 1994 = 100



* MSCI indices; Shanghai Composite Index for China.

Sources: Bloomberg; MSCI; RBA.

Bonds on Issue in Australia



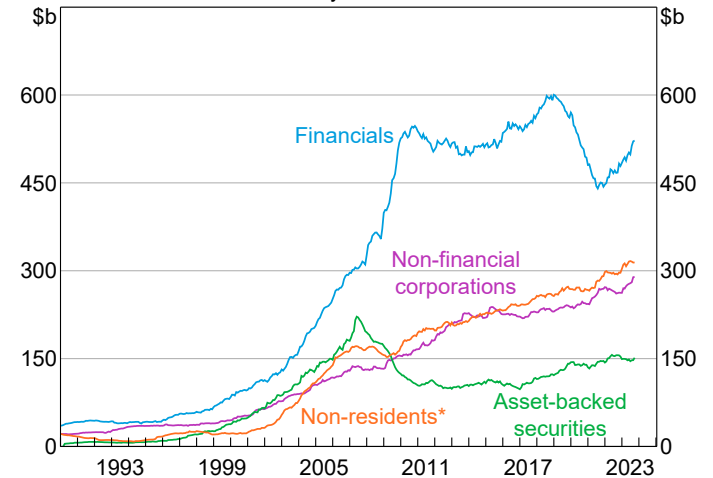
* Excludes bonds purchased by the Australian Government.

** 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

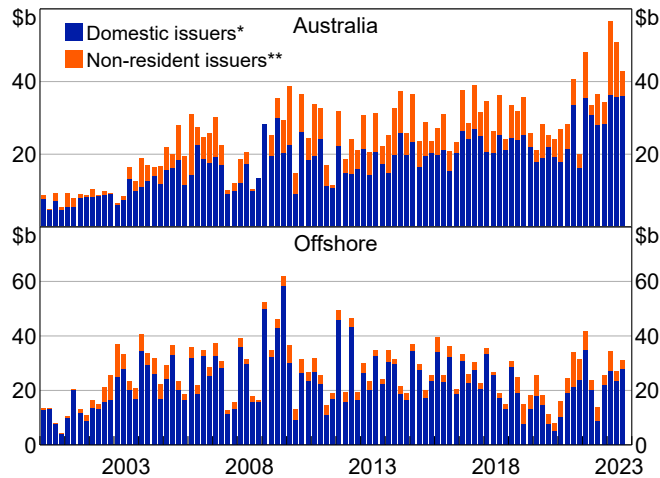


* Australian dollar-denominated bonds only.

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

Non-government Bond Issuance

Gross issuance

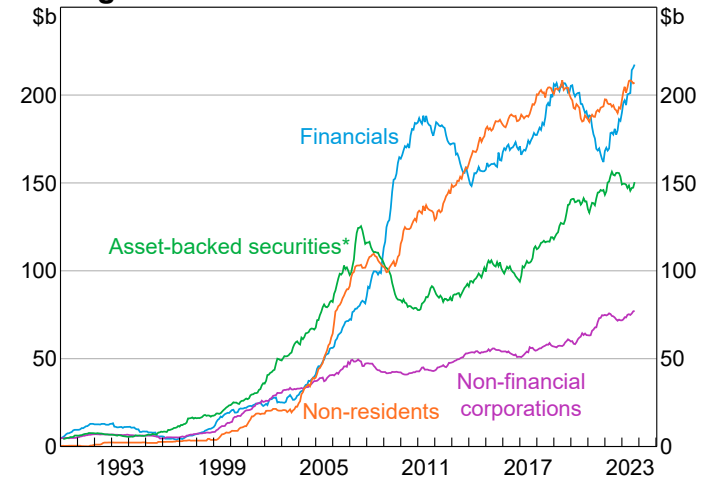


* Excludes ADIs' self-securitisations.

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

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

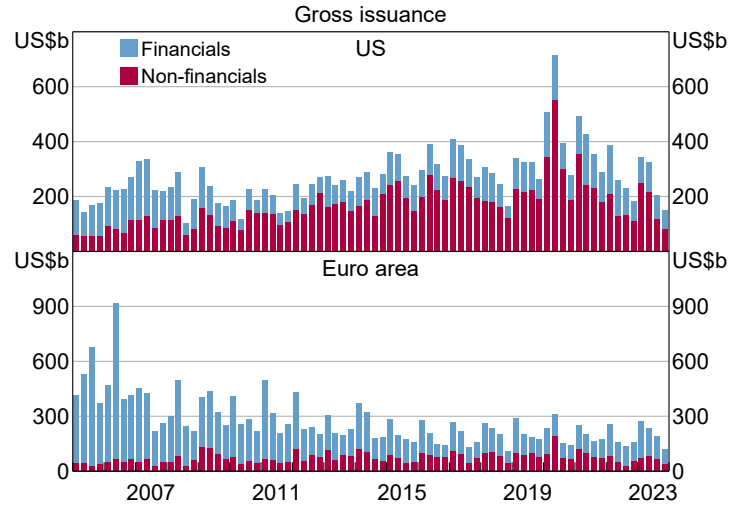
Non-government Bonds on Issue in Australia



* Excludes ADIs' self-securitisations.

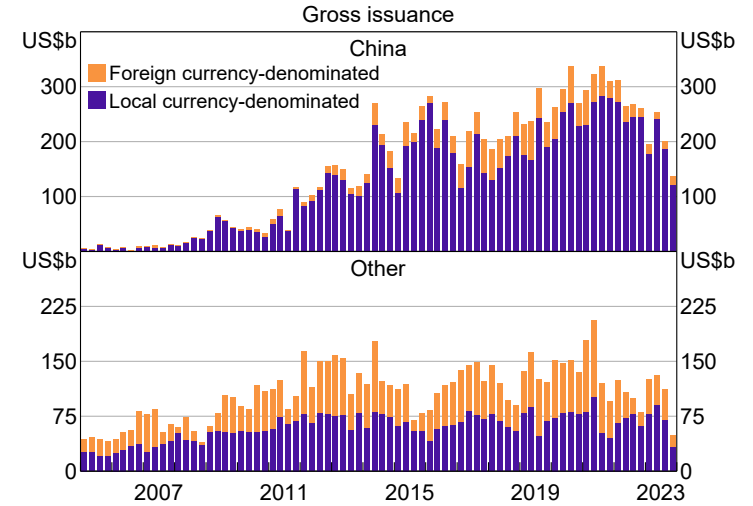
Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA.

US and Euro Area Corporate Bond Issuance*



* Most recent data is quarter-to-date.
Sources: Dealogic; RBA.

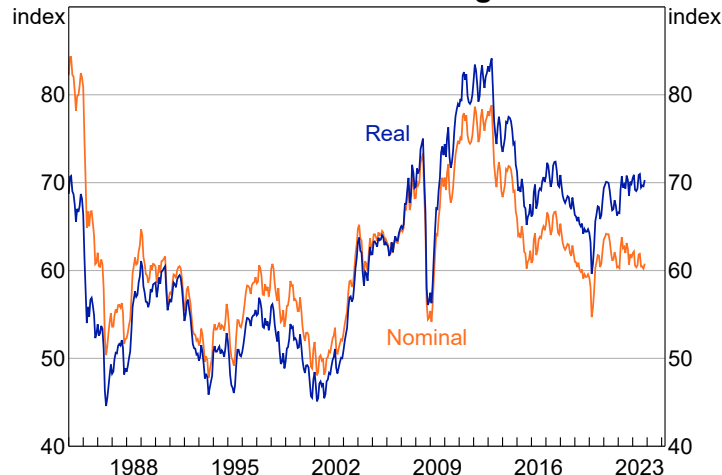
Emerging Market Corporate Bond Issuance*



* Most recent data is quarter-to-date.
Sources: Dealogic; RBA.

Exchange Rates

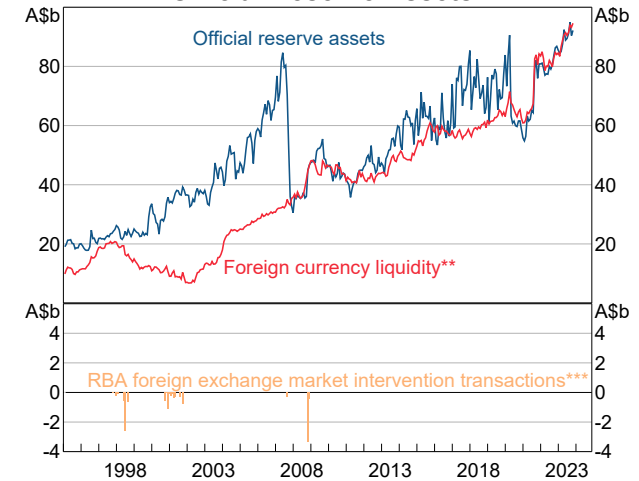
Australian Dollar Trade-weighted Index*



* 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*



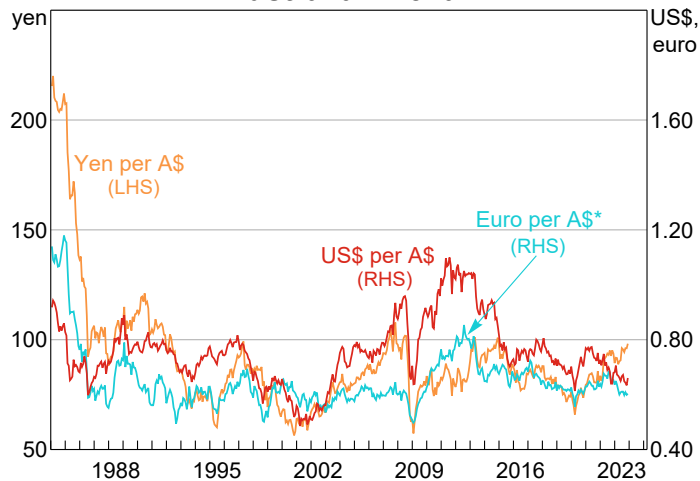
* The reporting methodology for official reserve asset data changes in 2015.

** Excludes net forward foreign currency commitments.

*** Data up to 30 June 2023; a positive value indicates a purchase of foreign exchange, while a negative value indicates a sale of foreign exchange.

Source: RBA.

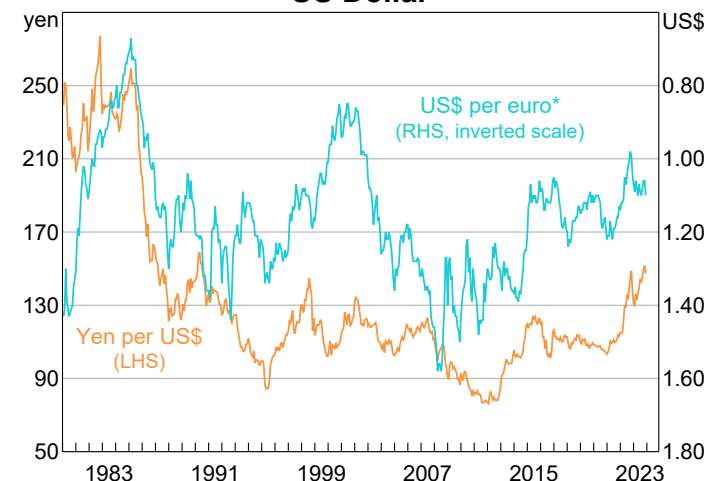
Australian Dollar



* ECU per A\$ until 31 December 1998.

Source: Bloomberg.

US Dollar

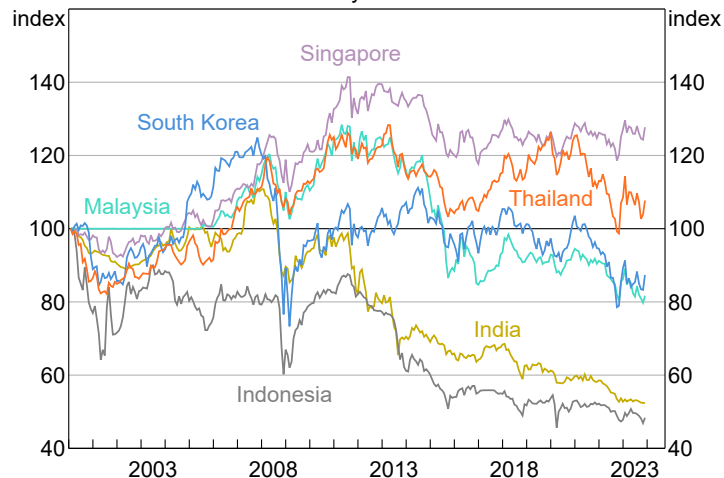


* US\$ per ECU until 31 December 1998.

Sources: Bloomberg; Eurostat.

Selected Asian Currencies against the US Dollar

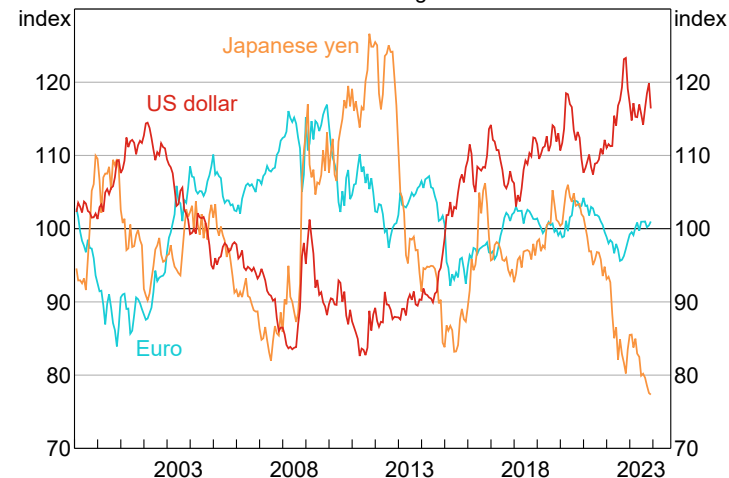
31 January 2000 = 100



Source: Bloomberg.

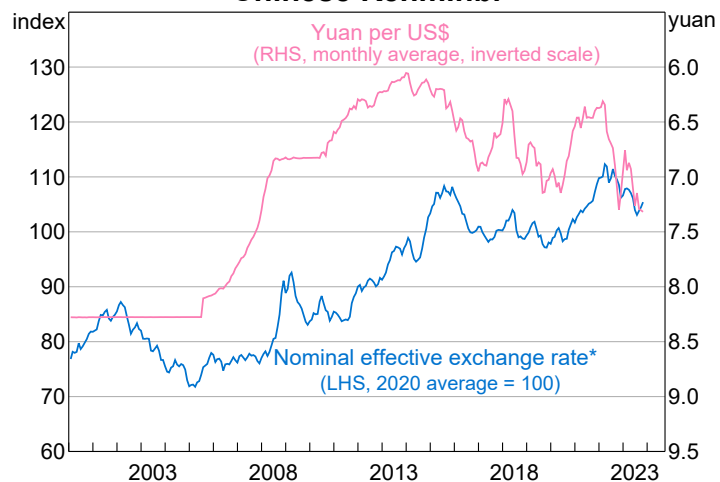
G3 Nominal Trade-weighted Indices

1999–2020 average = 100



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

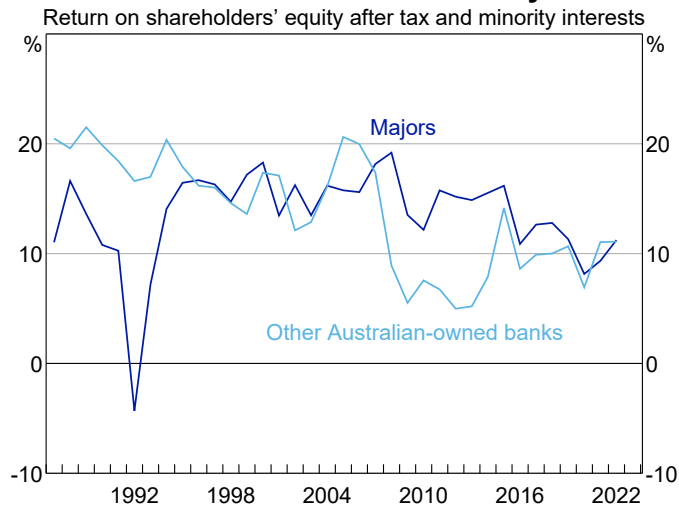
Chinese Renminbi



* Monthly average nominal rate calculated using BIS EER weights.

Sources: BIS; Refinitiv.

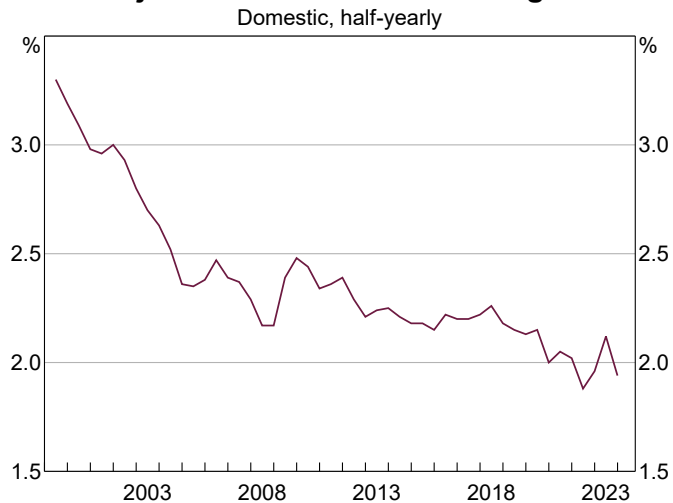
Australian Bank Profitability*



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

Sources: APRA; Banks' annual reports; RBA

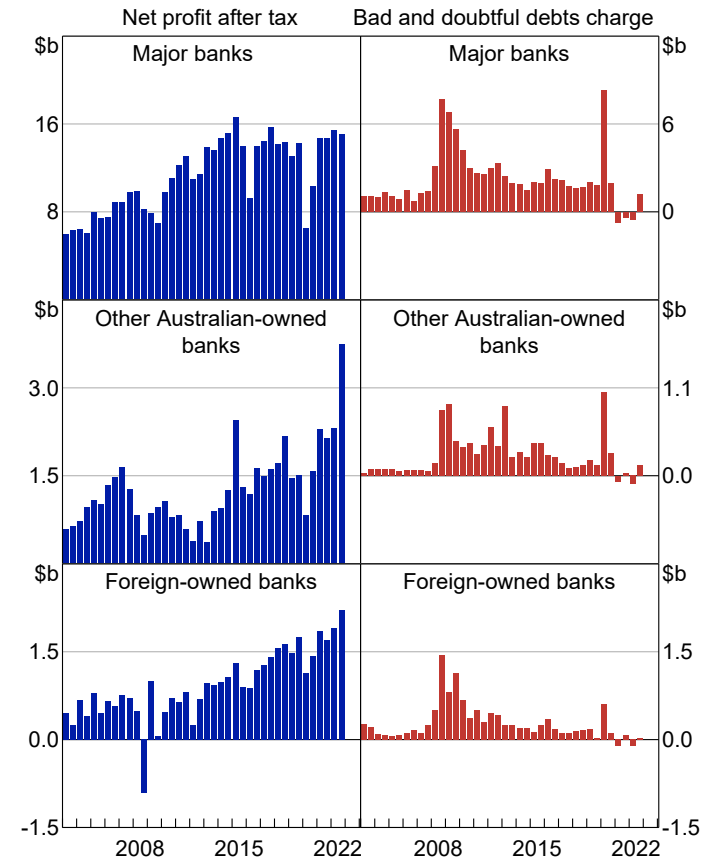
Major Banks' Net Interest Margin*



* 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.

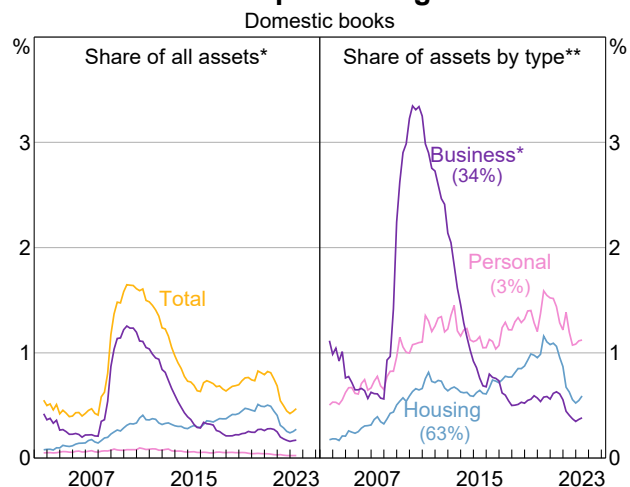
Sources: Banks' financial reports; RBA.

Australian Bank Profits



Sources: APRA; RBA.

Banks' Non-performing Assets



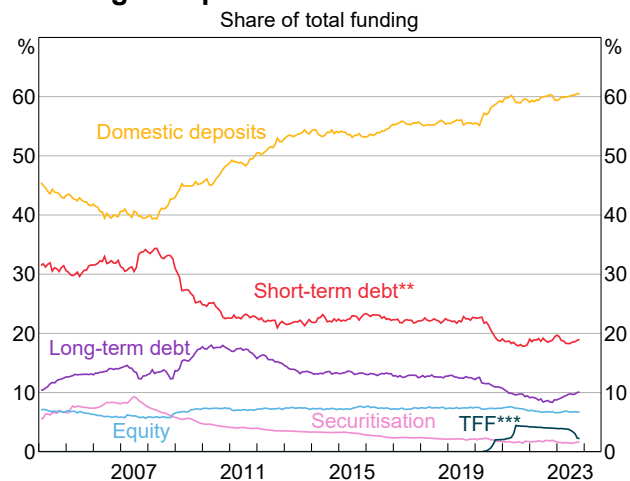
* Includes lending to financial businesses, bills, short-term and long-term debt securities and other non-household loans
 ** Each category's share of total domestic lending at December 2022 is shown in parentheses; shares may not add up to 100 due to rounding
 Sources: APRA; RBA.

Banks' Non-performing Loans



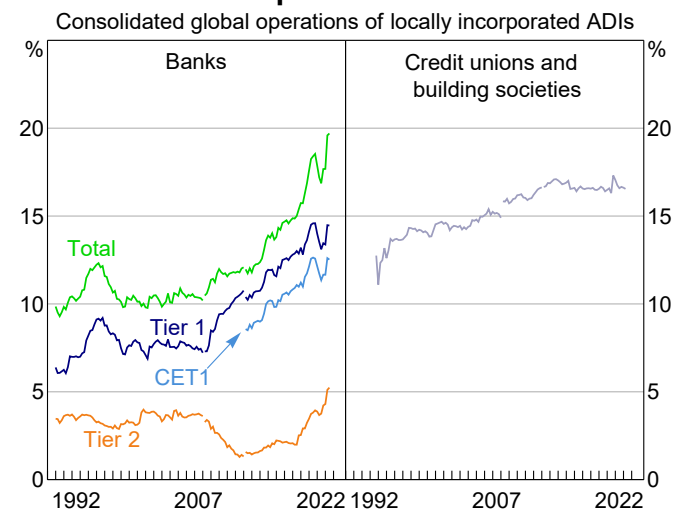
Source: APRA.

Funding Composition of Banks in Australia*



* 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*



* 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.