



The Australian Economy and Financial Markets

Chart Pack | May 2021



RESERVE BANK OF AUSTRALIA

The Australian Economy and Financial Markets

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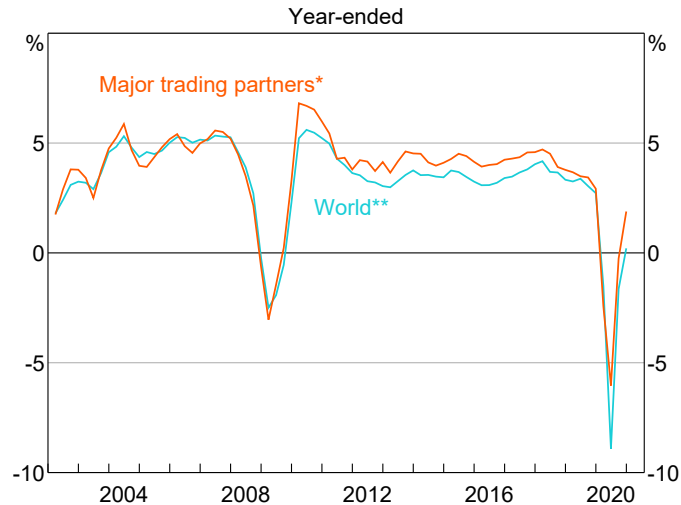
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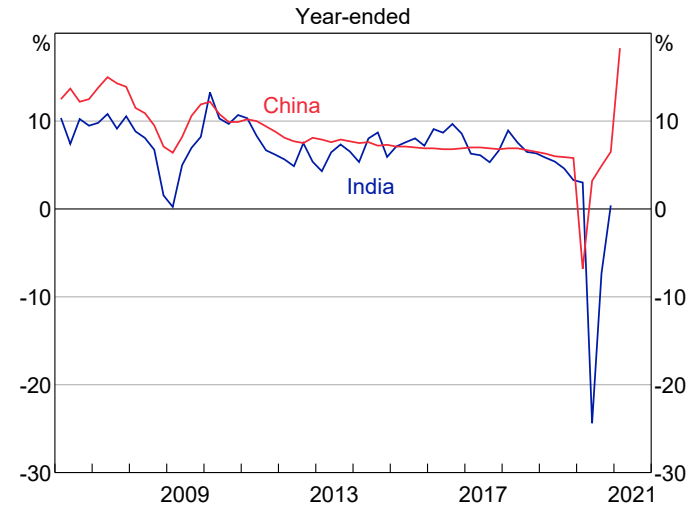
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GDP Growth – World



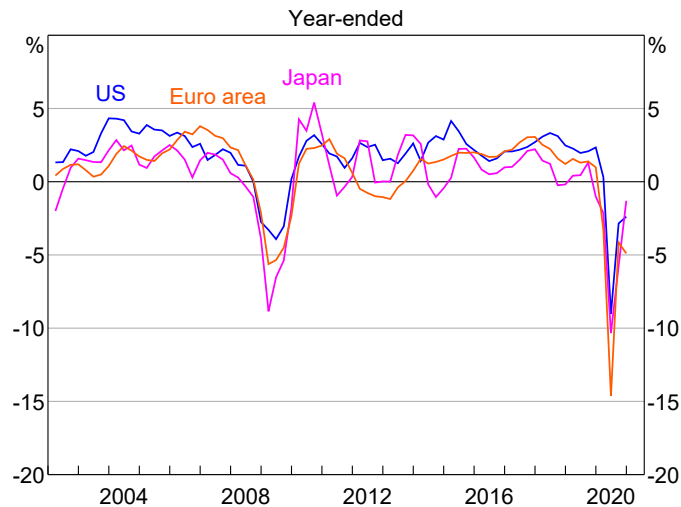
* Weighted using Australian export shares
 ** PPP-weighted; accounts for 85 per cent of world GDP
 Sources: ABS; CEIC Data; IMF; RBA; Refinitiv

GDP Growth – China and India



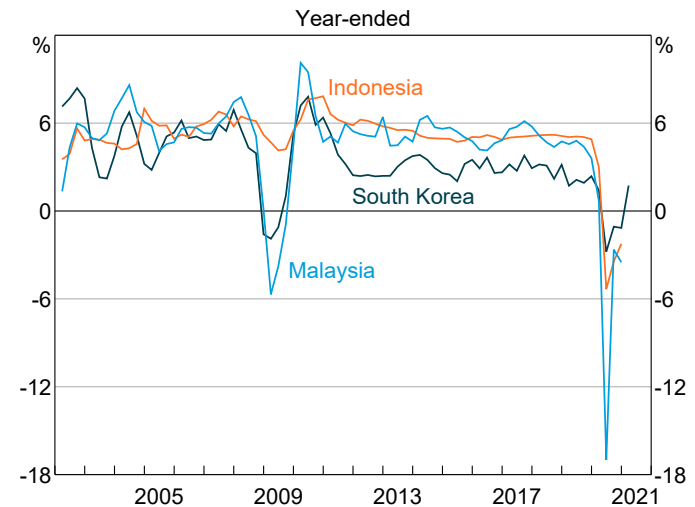
Sources: CEIC Data; RBA

GDP Growth – Advanced Economies



Source: Refinitiv

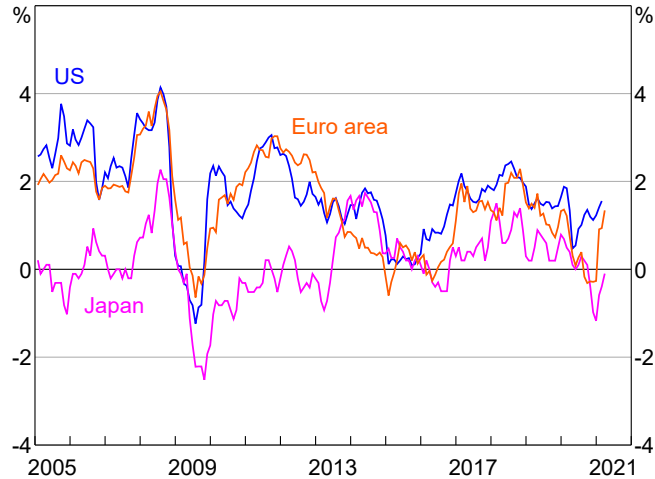
GDP Growth – East Asia



Sources: CEIC Data; RBA

Inflation – Advanced Economies*

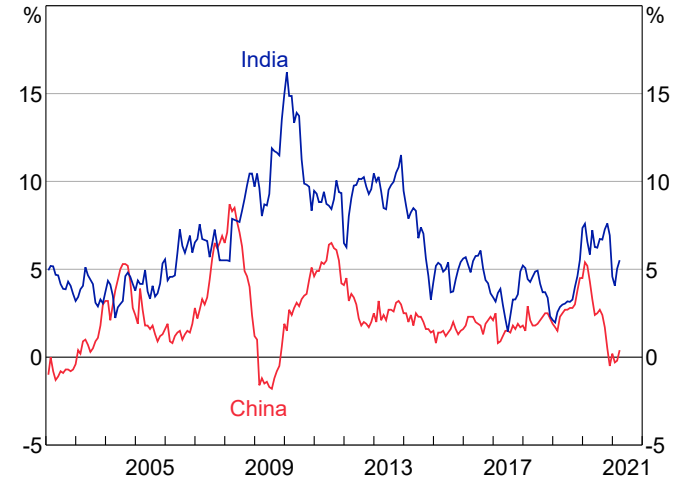
Year-ended



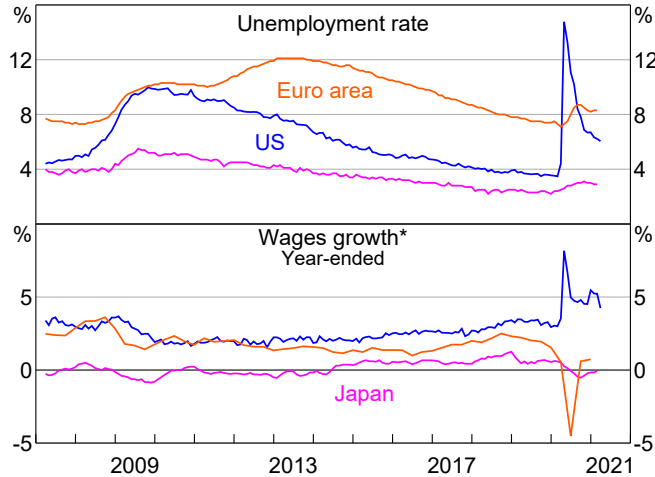
* Personal consumption expenditure (PCE) inflation for the US; Japan data excludes the effects of the consumption tax increase in April 2014
Sources: RBA; Refinitiv

Inflation – China and India

Year-ended



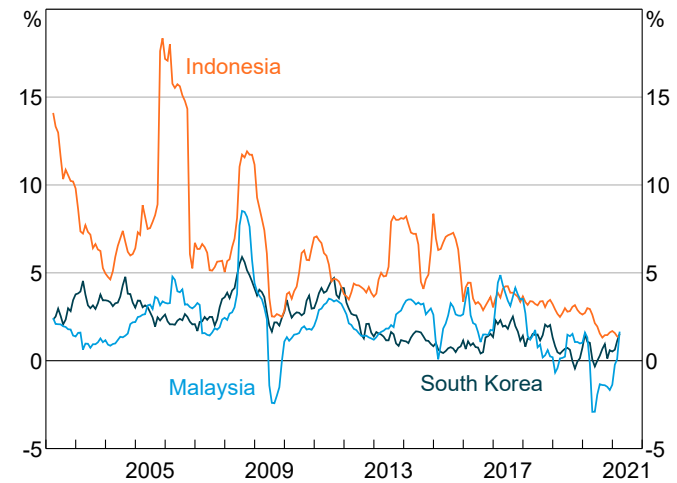
Source: CEIC Data

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; ECB; Eurostat; RBA; Refinitiv

Inflation – East Asia

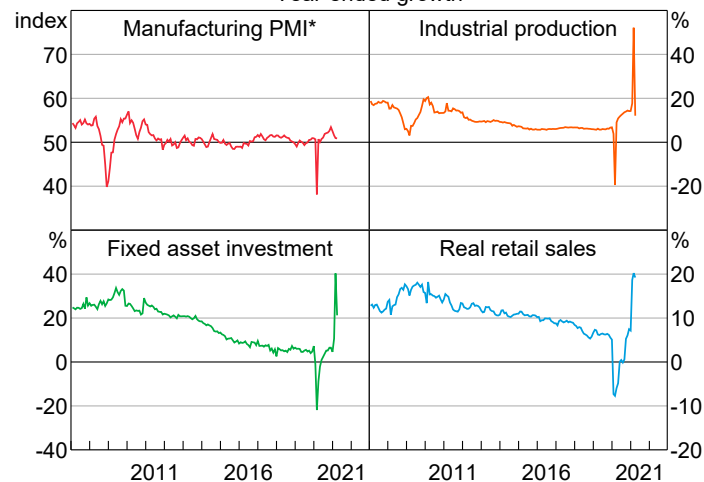
Year-ended



Sources: CEIC Data; RBA; Refinitiv

China – Activity Indicators

Year-ended growth



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

China – Residential Property Indicators

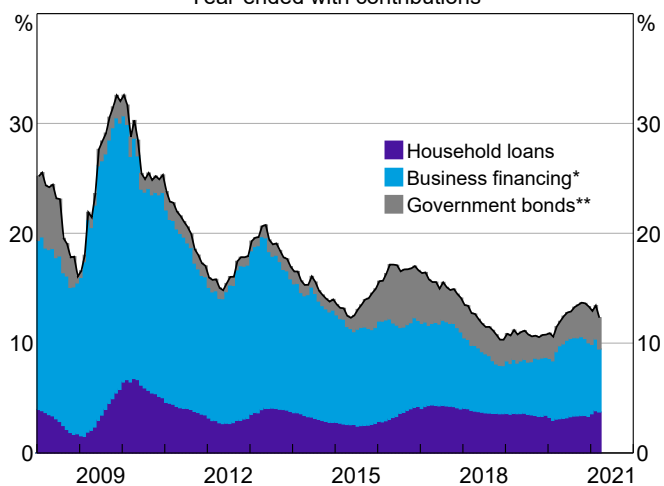
Year-ended growth



* China Index Academy
** Contributions of residential and non-residential investment
*** Construction, installation, equipment purchases and other
Sources: CEIC Data; CIA; CRIC; RBA

China – Total Social Financing Growth

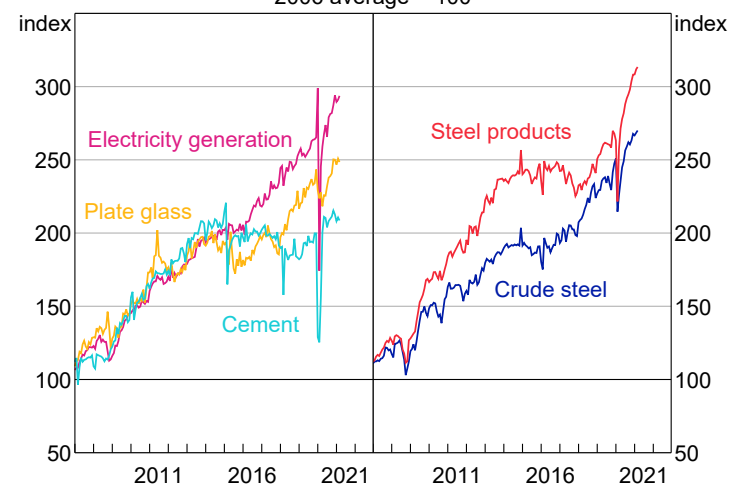
Year-ended with contributions



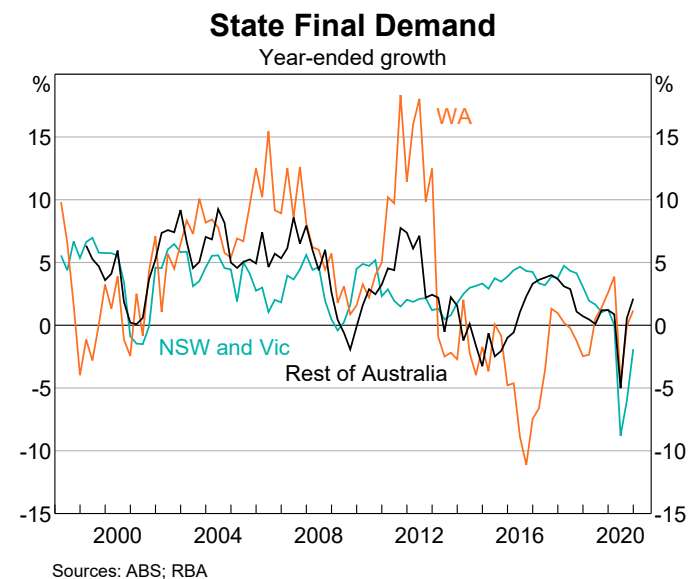
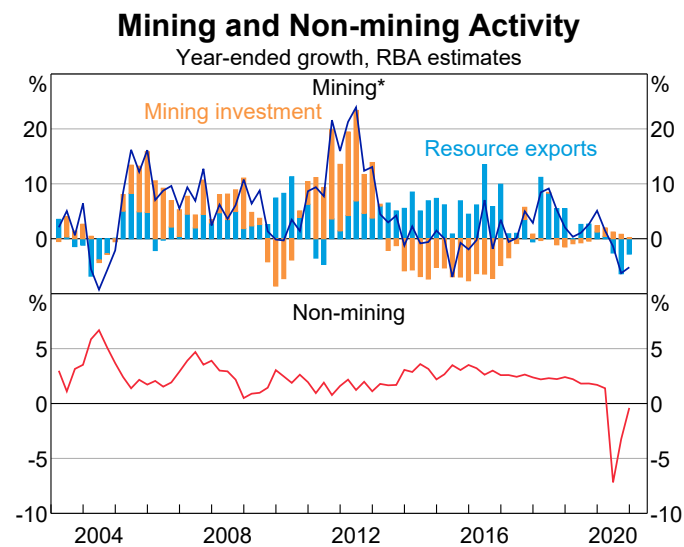
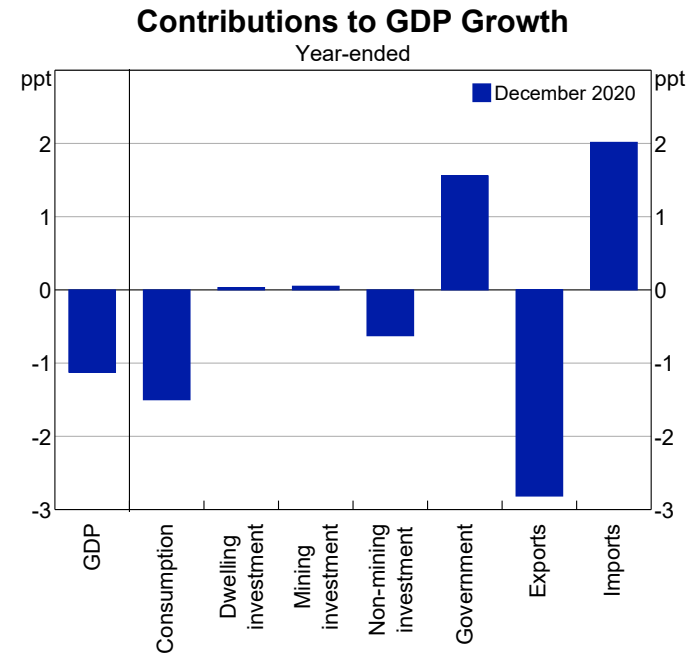
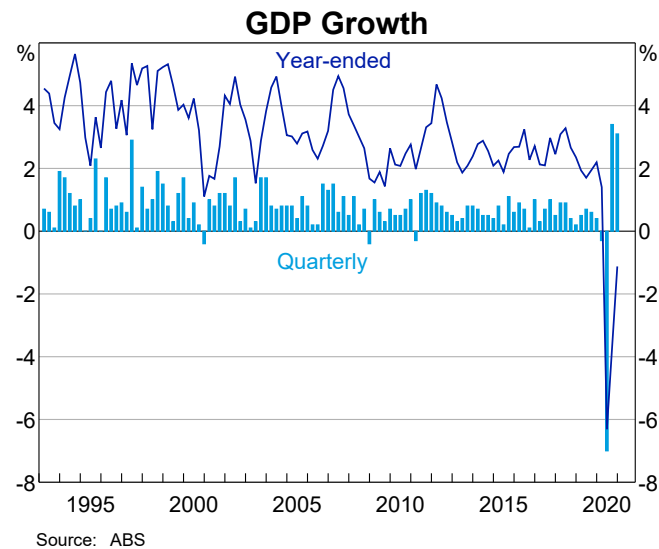
* Sum of business loans, securities financing and off-balance sheet financing
** Net government bond issuance includes local government bond issuance to pay off debt previously classified as business financing, and uses RBA estimates prior to 2016
Sources: CEIC Data; RBA

China – Gross Output of Selected Products*

2006 average = 100

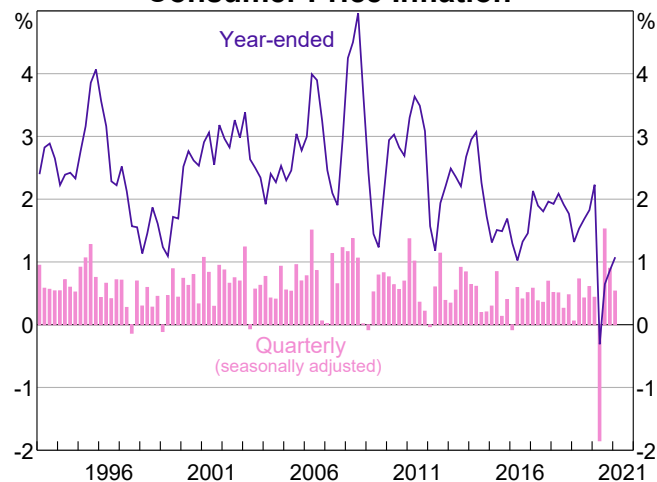


* Seasonally adjusted by the RBA
Sources: CEIC Data; RBA



Australian Inflation

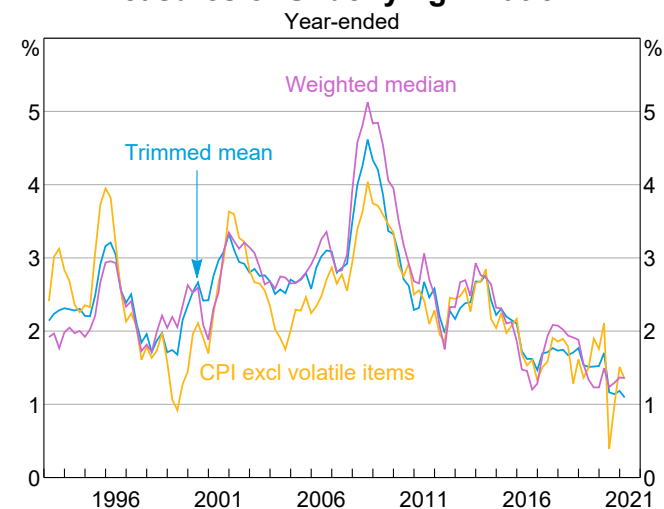
Consumer Price Inflation*



* Excludes interest charges prior to the September quarter 1998; adjusted for the tax changes of 1999–2000

Sources: ABS; RBA

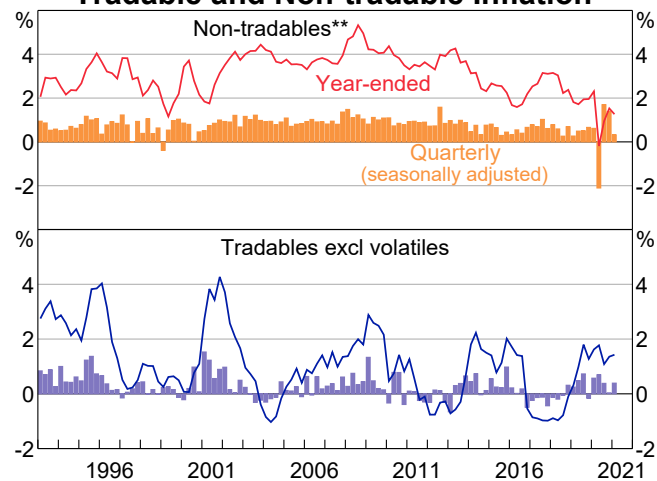
Measures of Underlying Inflation*



* Excludes interest charges prior to September 1998 and deposit & loan facilities prior to September 2011; adjusted for 1999–2000 tax changes

Sources: ABS; RBA

Tradable and Non-tradable Inflation*



* Adjusted for the tax changes of 1999–2000

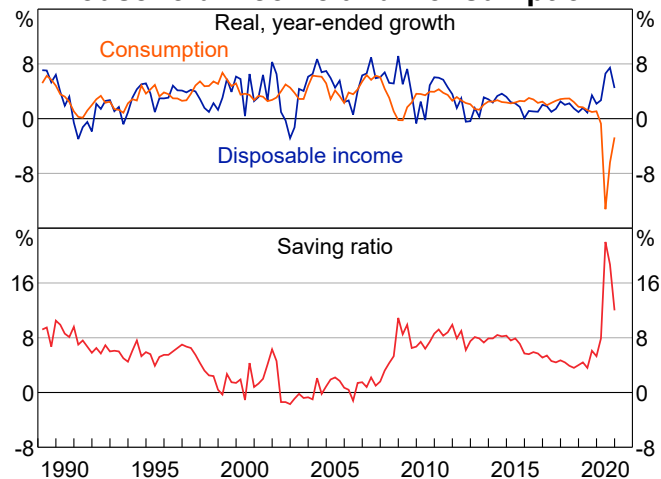
** Excludes interest charges and indirect deposit & loan facilities

Sources: ABS; RBA



Household Sector

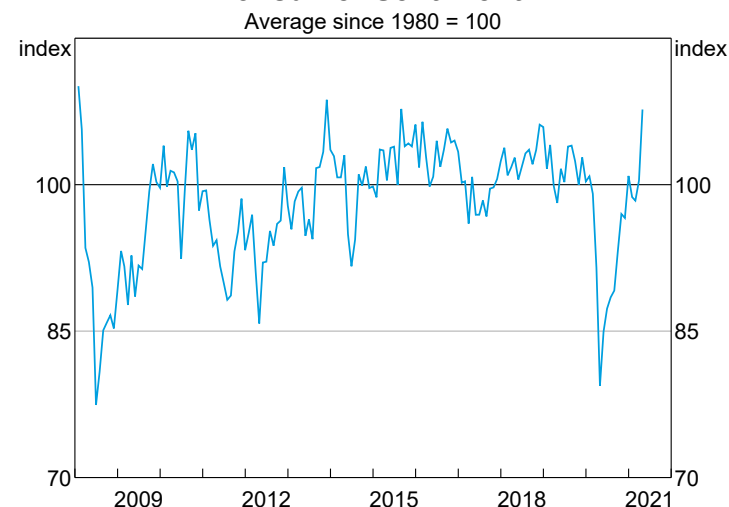
Household Income and Consumption*



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

Sources: ABS; RBA

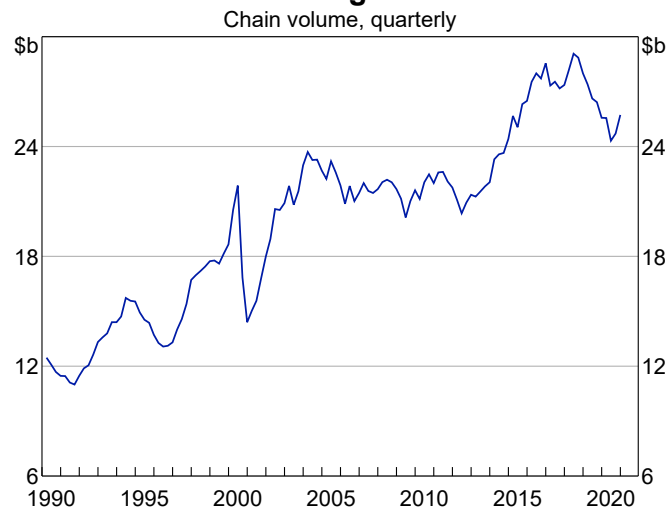
Consumer Sentiment*



* 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

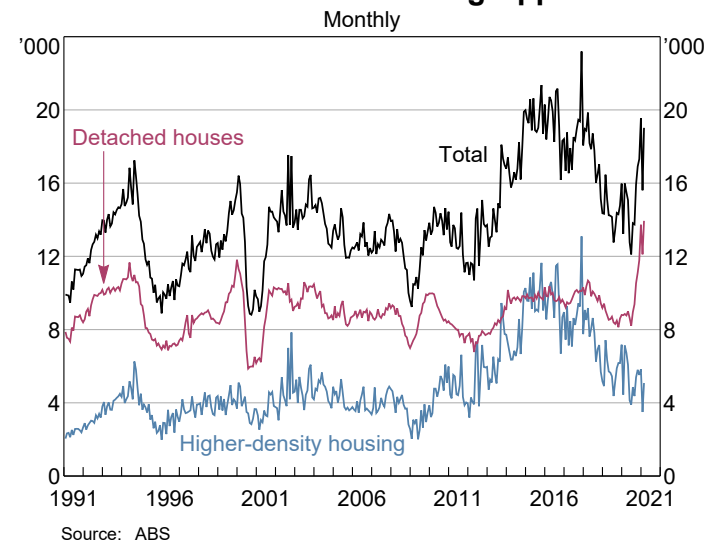
Private Dwelling Investment*



* Reference year is 2018/19

Source: ABS

Private Residential Building Approvals

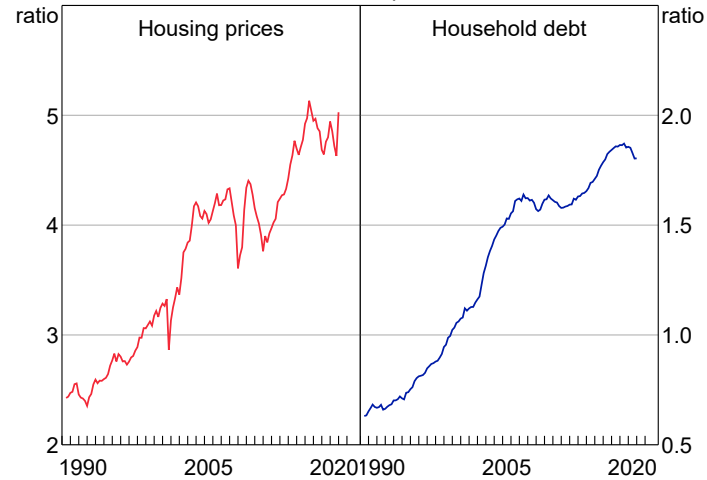


Source: ABS



Housing Prices and Household Debt*

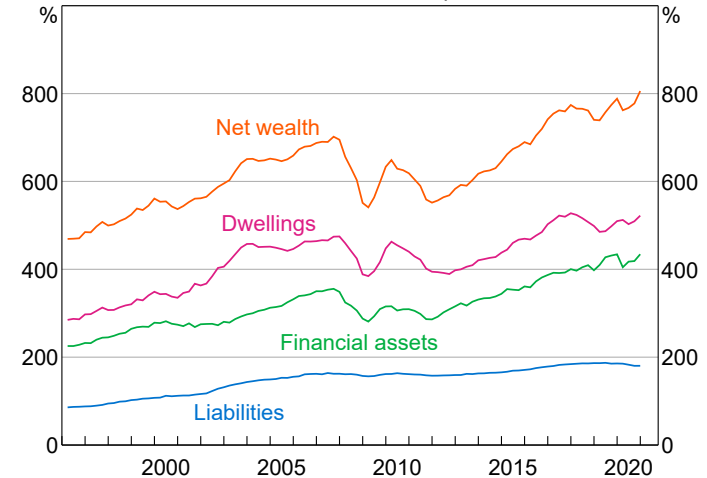
Ratio to household disposable income



* 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*

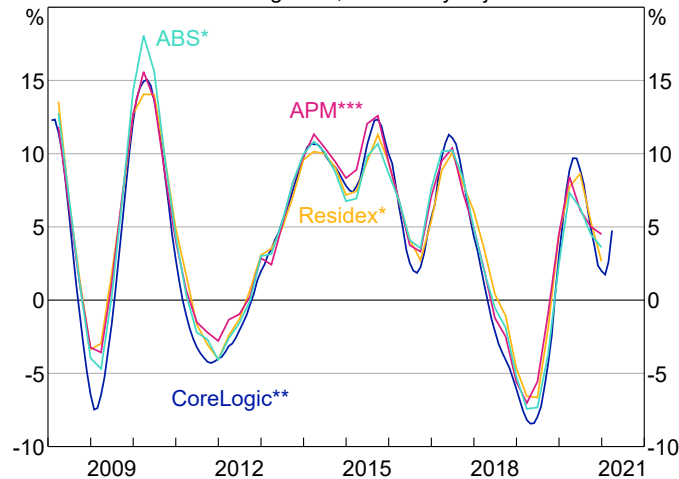
Per cent of annual household disposable income



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

Housing Prices

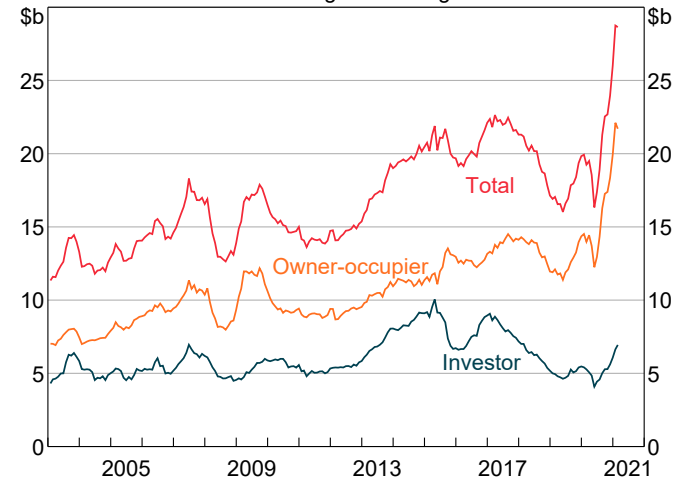
Year-ended growth, seasonally adjusted



* 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

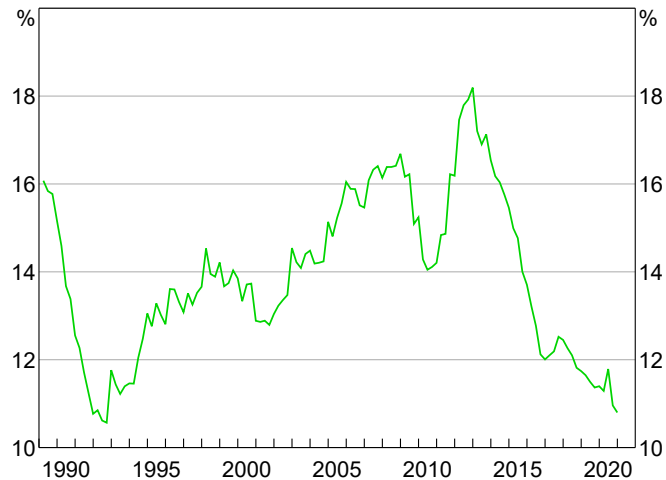


* Seasonally adjusted
Sources: ABS; RBA



Business Investment*

Share of nominal GDP

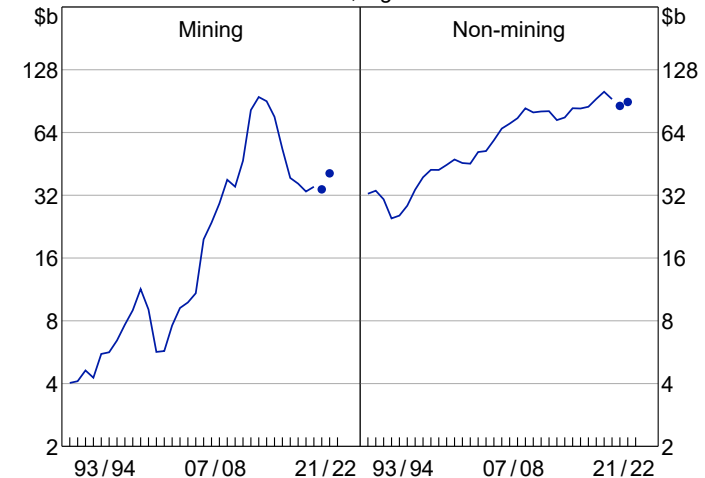


* Adjusted for second-hand asset transfers between the private and other sectors

Source: ABS

Capital Expenditure – Mining and Non-mining*

Nominal, log scale

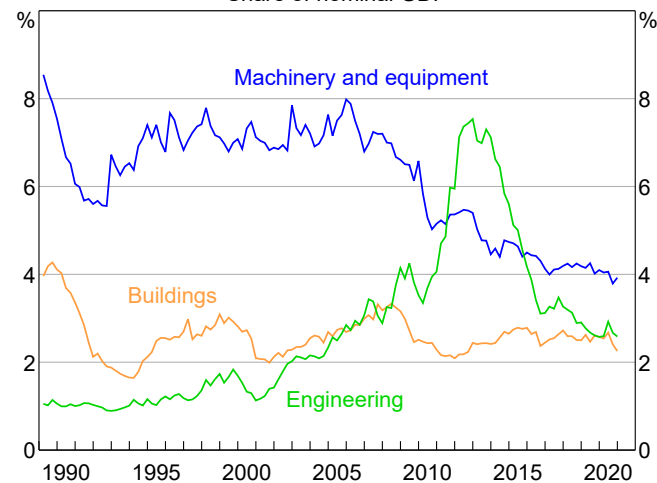


* Dots are firms' expectations for 2020/21 and 2021/22; adjusted for historical differences between expected and realised spending

Sources: ABS; RBA

Business Investment Components*

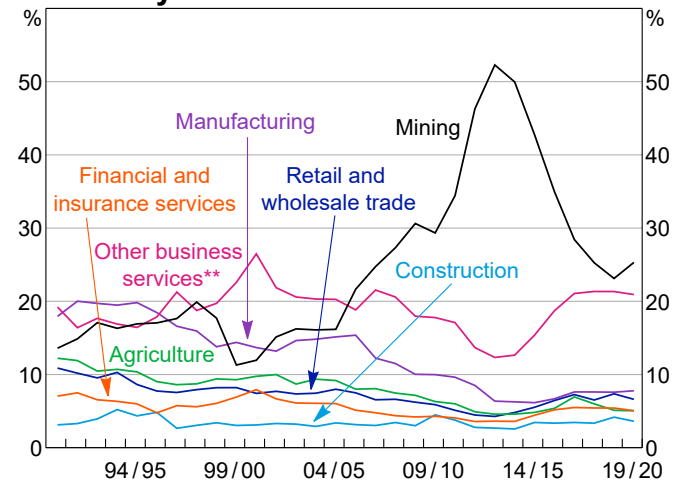
Share of nominal GDP



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

Source: ABS

Industry Share of Business Investment*



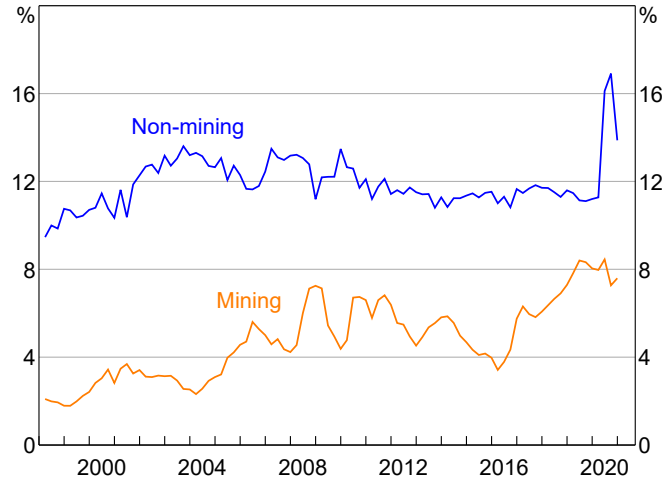
* Nominal; includes second hand asset transfers

** 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*

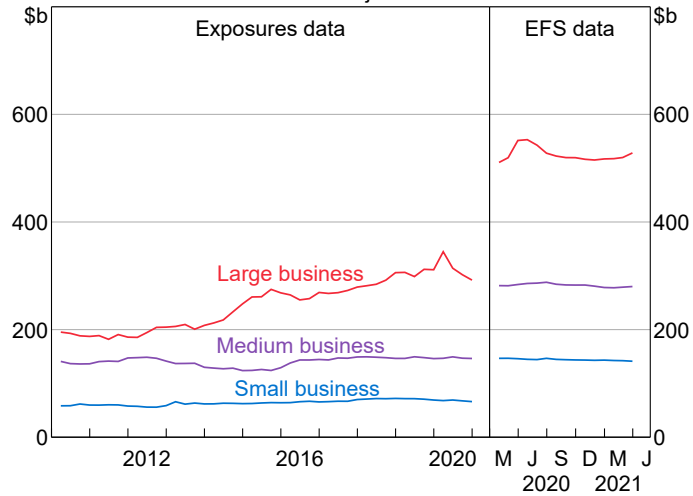
Share of nominal GDP



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

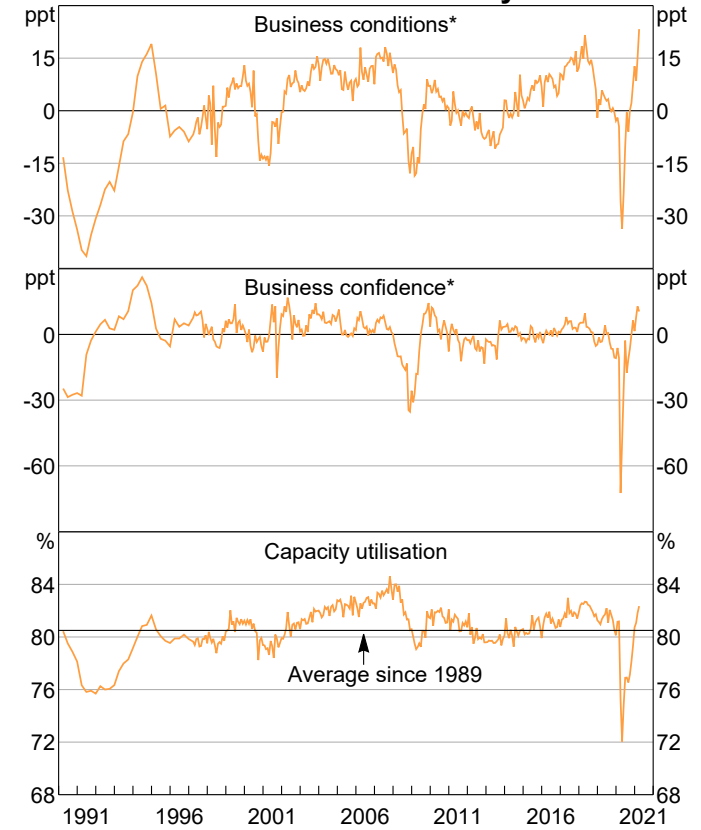
Lending to Business*

Break-adjusted

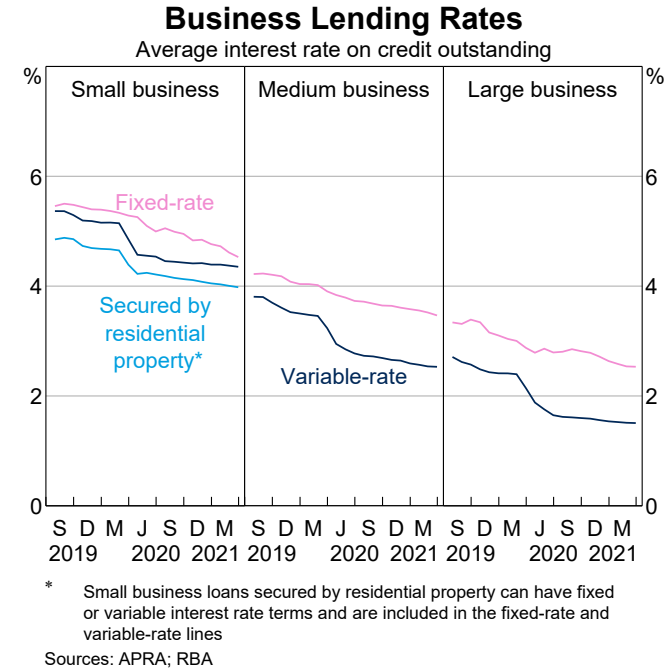
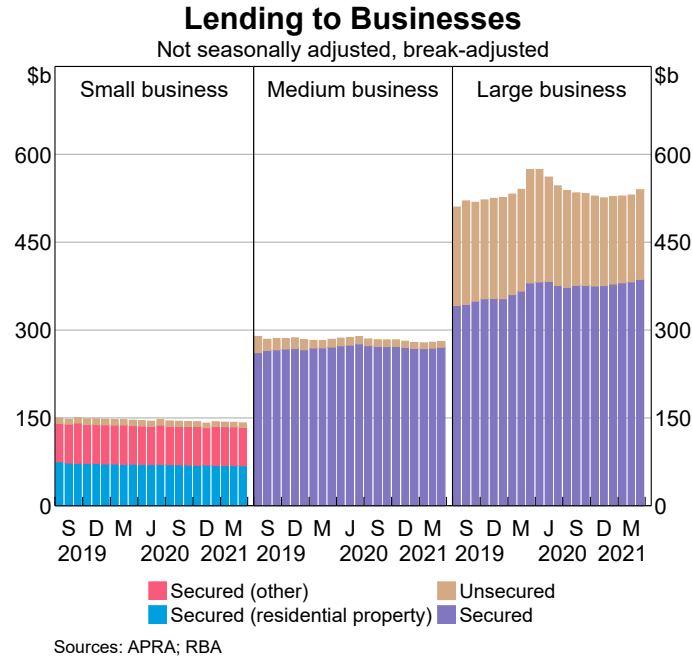


* Exposures data capture credit exposures on the balance sheets of banks allowed by APRA to use an internal ratings-based approach for credit risk management; EFS data are based on reporting of banks and finance companies that have \$2 billion or more of business credit
Sources: APRA; RBA

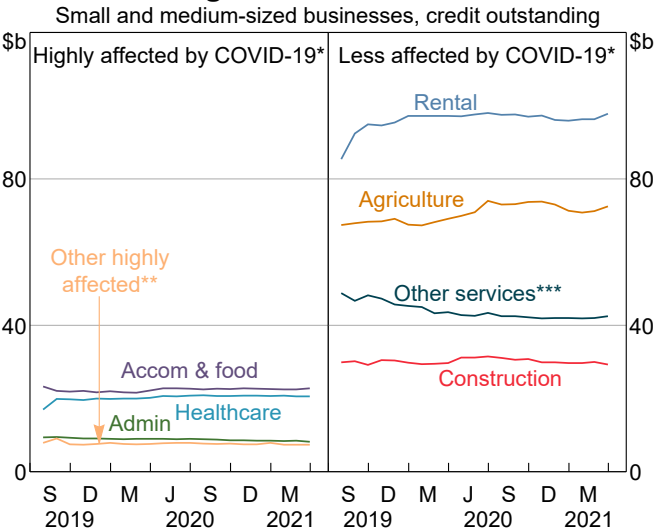
NAB Business Survey



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



Lending to Selected Industries



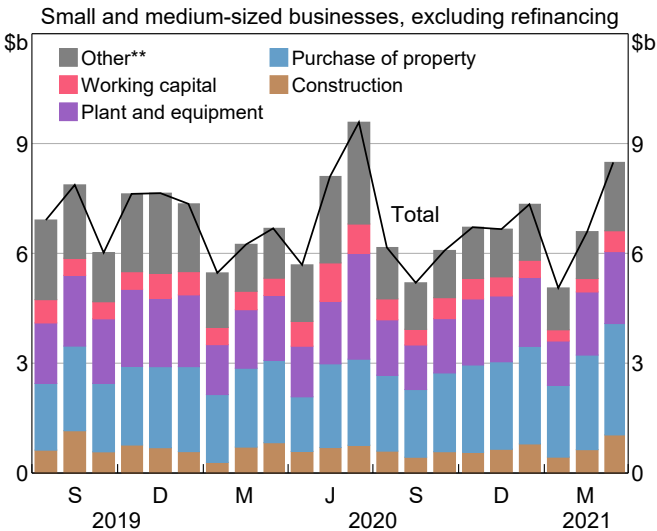
* Highly affected industries had the highest share of businesses report a fall in revenue of greater than 50 per cent in a June 2020 ABS survey; less affected industries are the top four by value of SME lending

** 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

Business Loan Commitments*

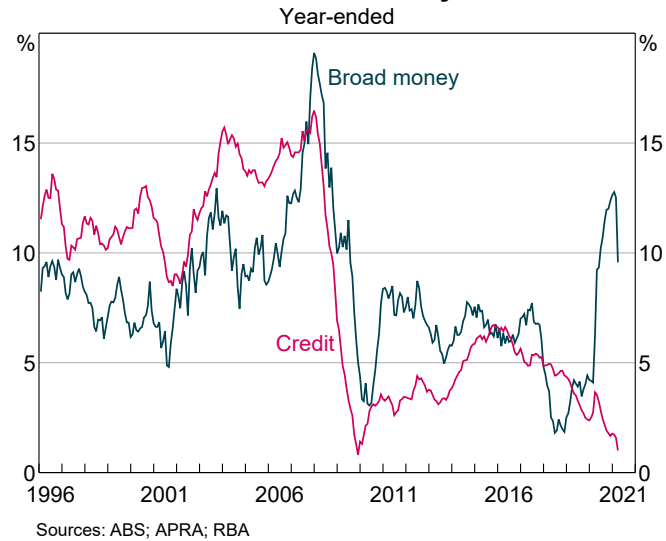


* Fixed-term loans; not seasonally adjusted

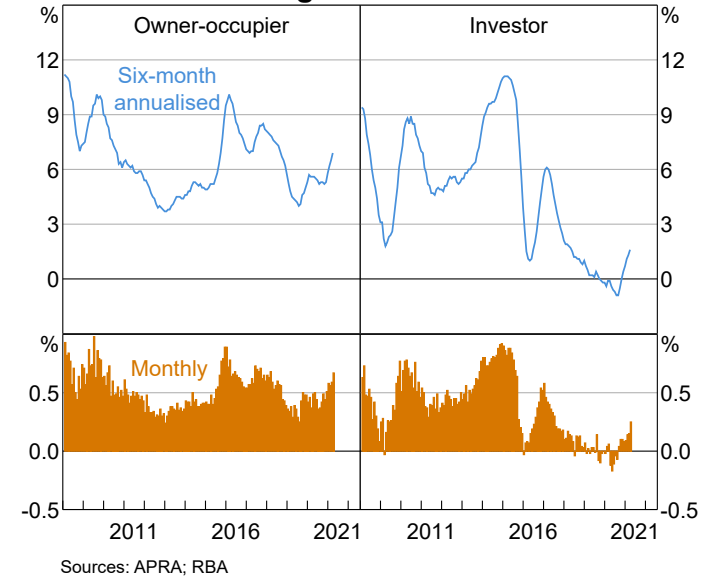
** Wholesale finance, acquisitions and general business purposes

Sources: APRA; RBA

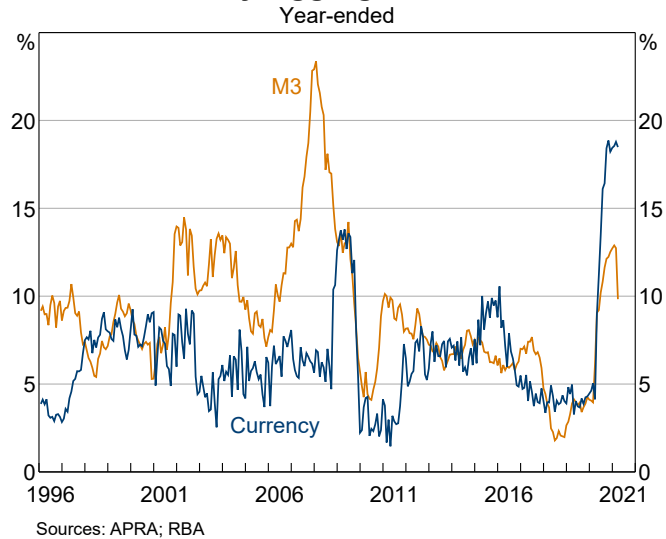
Credit and Broad Money Growth



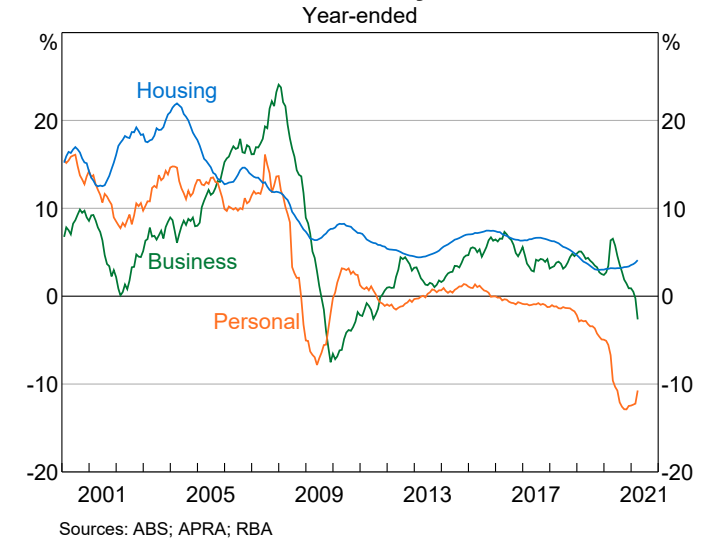
Housing Credit Growth



Monetary Aggregates Growth

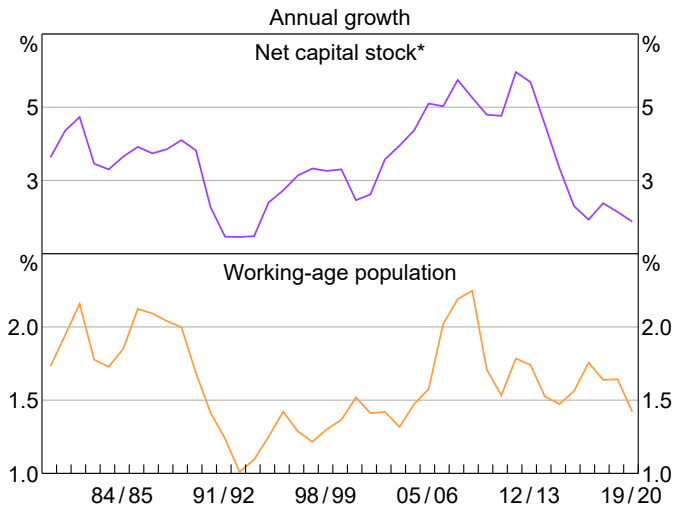


Credit Growth by Sector



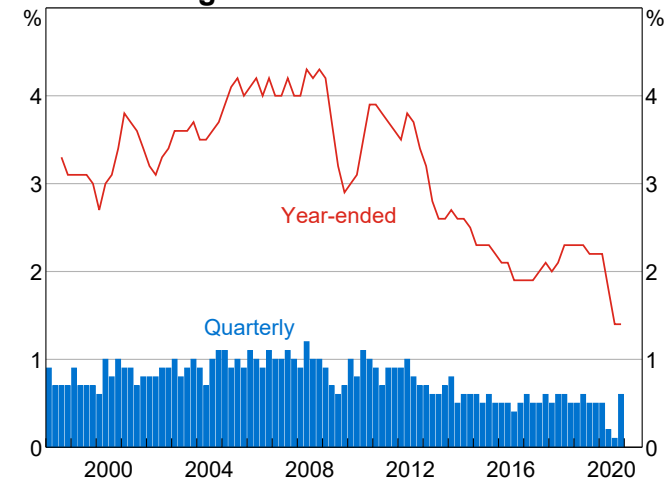
Factors of Production and Labour Market

Factors of Production



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

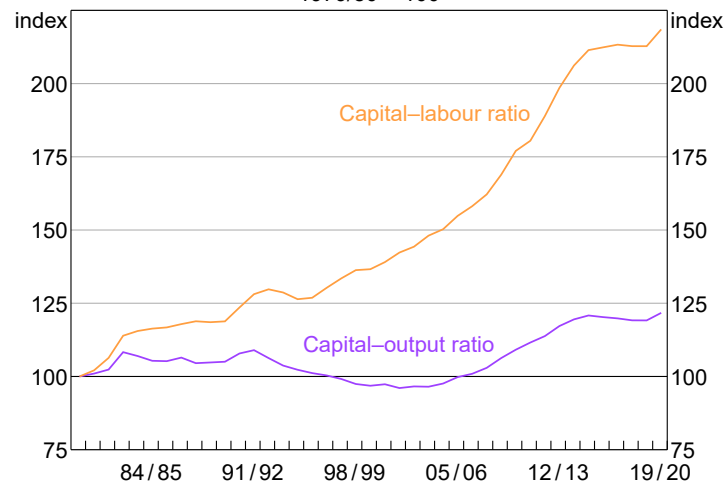
Wage Price Index Growth*



* Total pay excluding bonuses
Source: ABS

Capital Ratios*

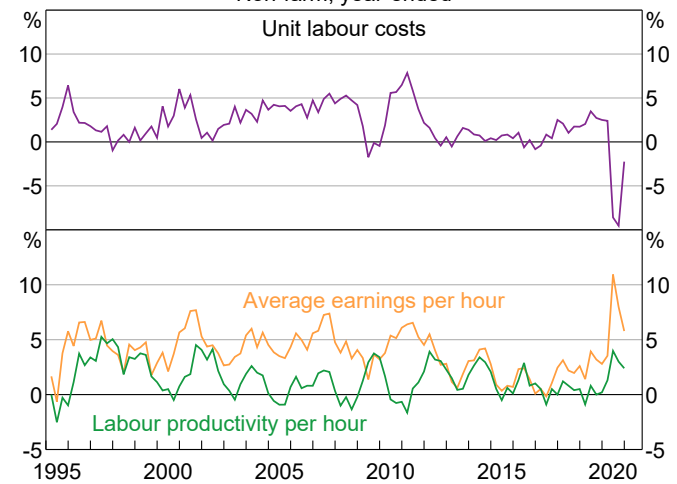
1979/80 = 100



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

Unit Labour Costs Growth

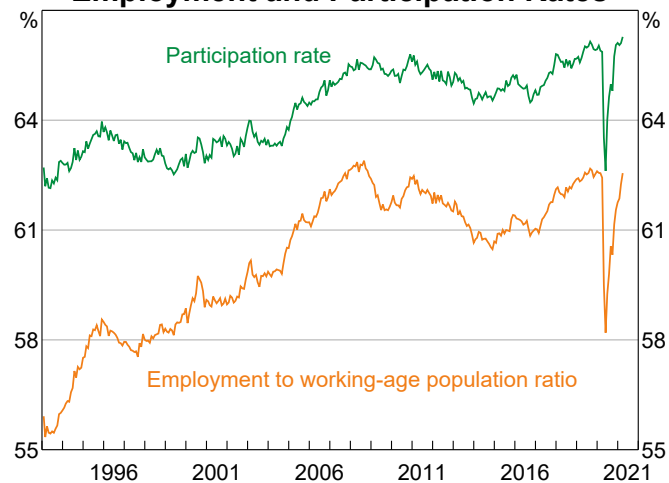
Non-farm, year-ended



Sources: ABS; RBA



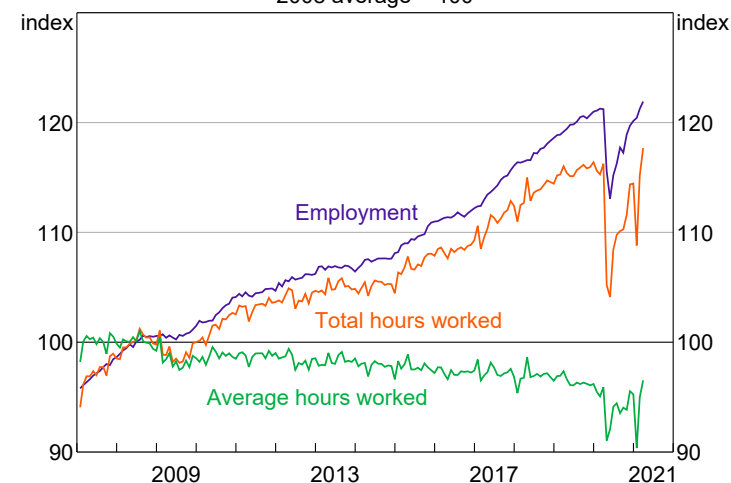
Employment and Participation Rates



Source: ABS

Employment and Hours Worked*

2008 average = 100

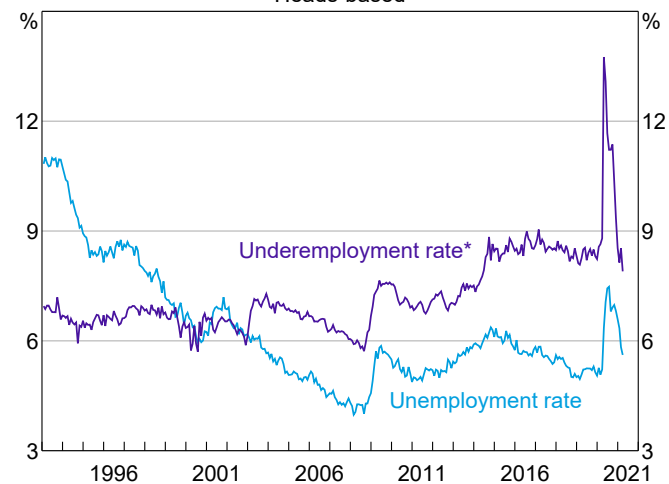


* Seasonally adjusted

Sources: ABS; RBA

Labour Underutilisation Rates

Heads-based

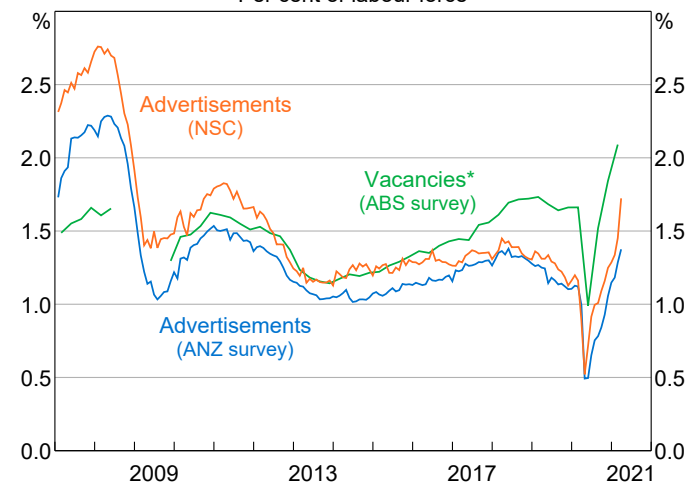


* Full-time workers on reduced hours for economic reasons and part-time workers who would like, and are available, to work more hours

Source: ABS

Job Vacancies and Advertisements

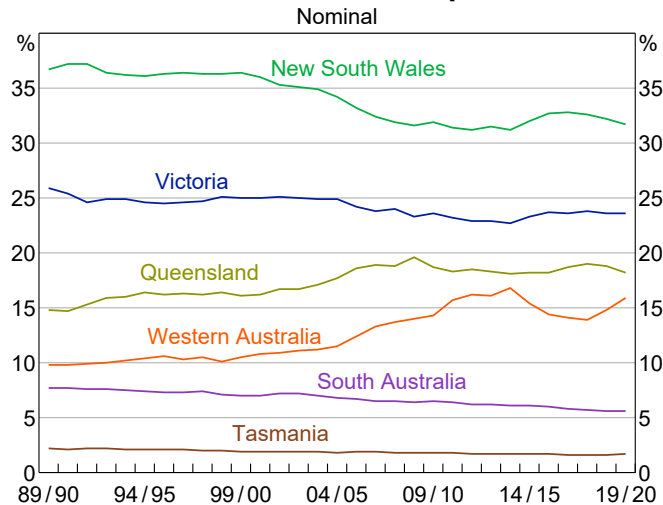
Per cent of labour force



* This survey was suspended between May 2008 and November 2009

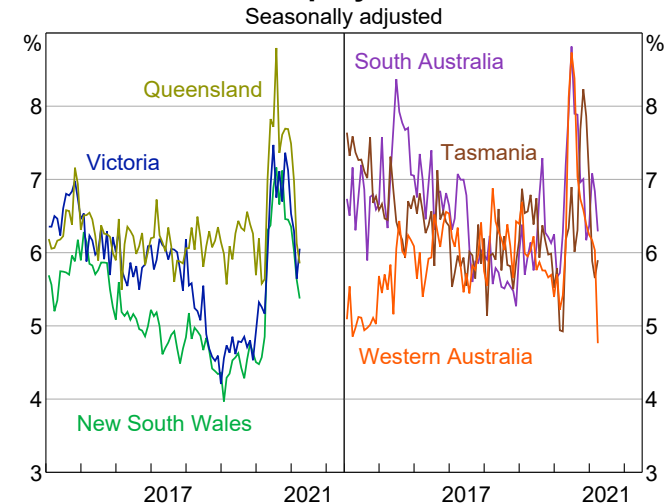
Sources: ABS; ANZ; National Skills Commission (NSC); RBA

State Share of Output



Source: ABS

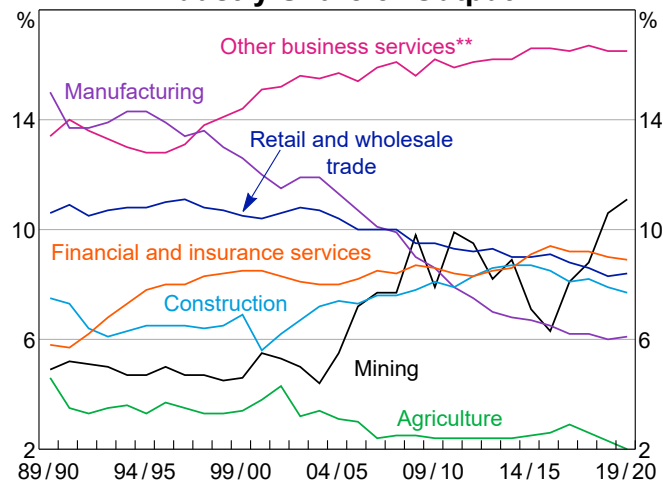
State Unemployment Rates*



* 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*

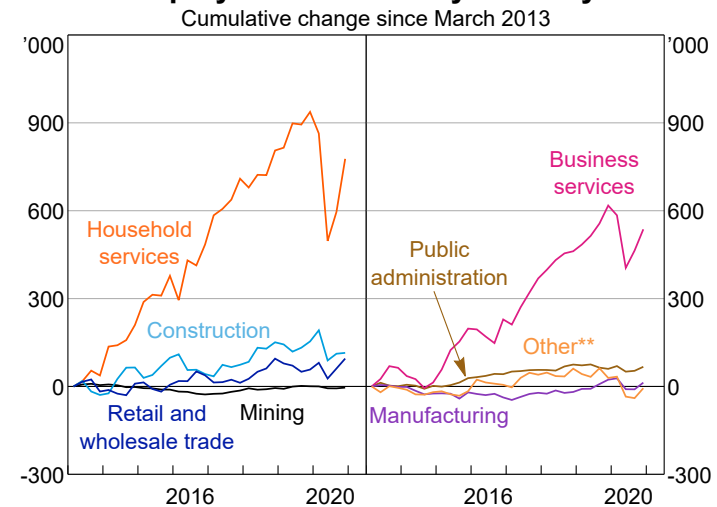


* Nominal gross value added

** 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*

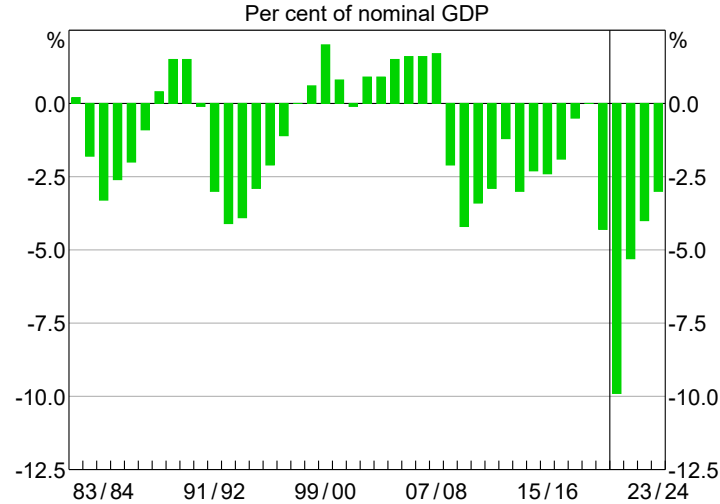


* The trend series have been suspended from June 2020 until more certainty emerges in the underlying trend in labour market activity over the COVID-19 period

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

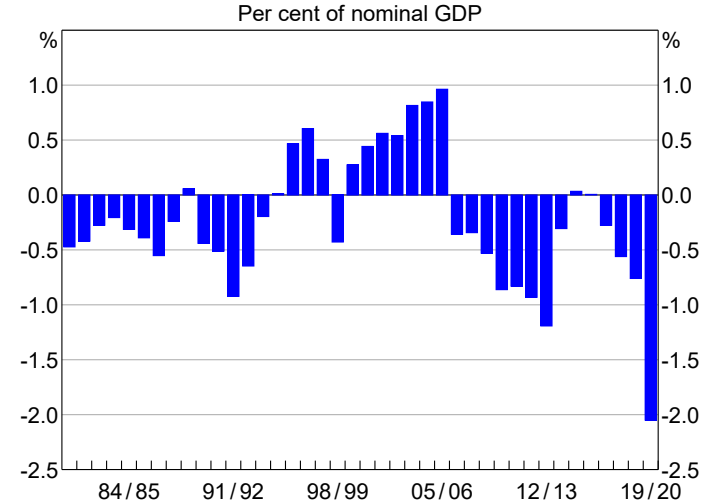
Source: ABS

Australian Government Budget Balance*



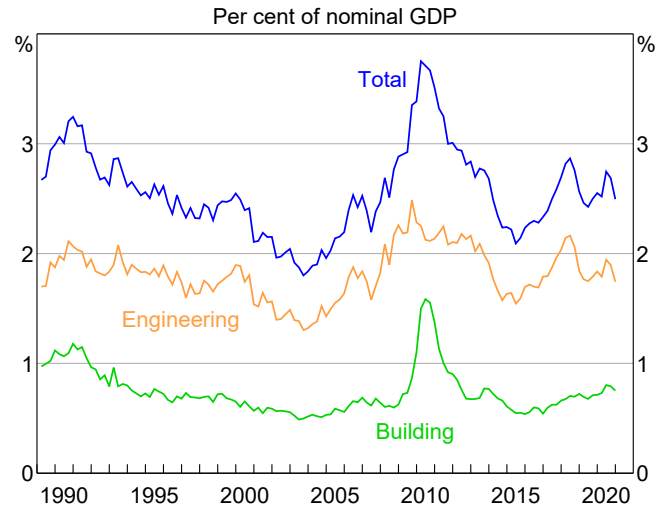
* Underlying cash balance; 2020/21 Mid-year economic and fiscal outlook
Source: Australian Treasury

State Budget Balances*



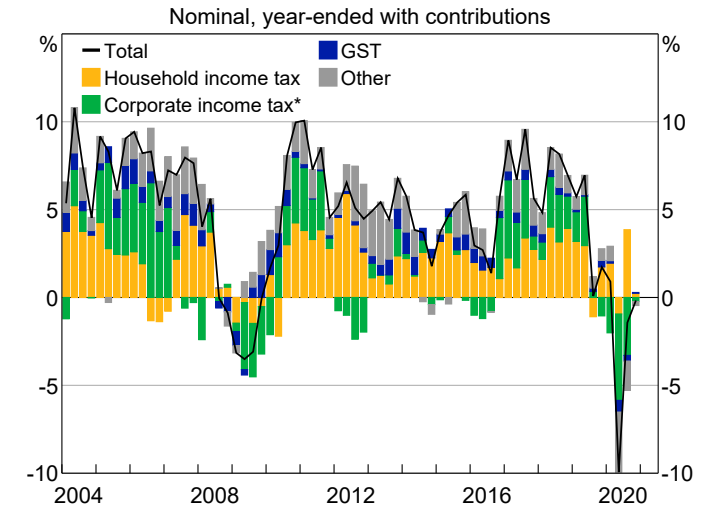
* Underlying cash balance
Source: ABS

Public Construction Work Done

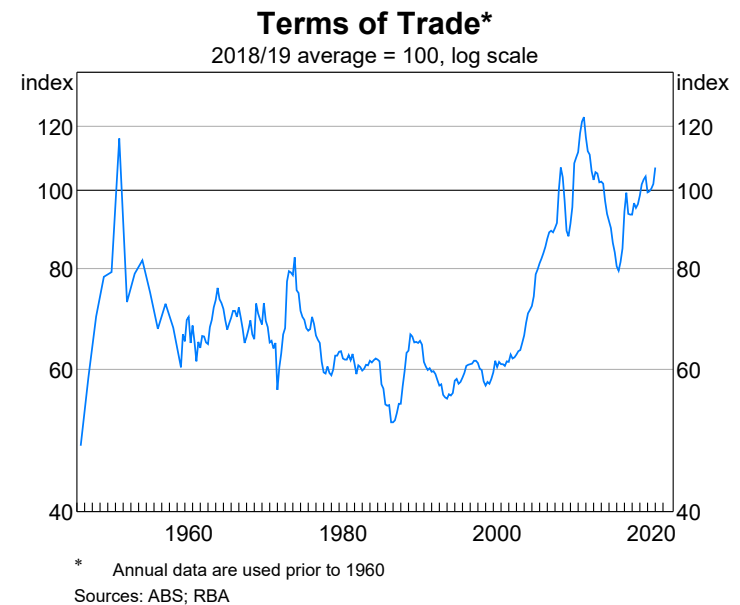
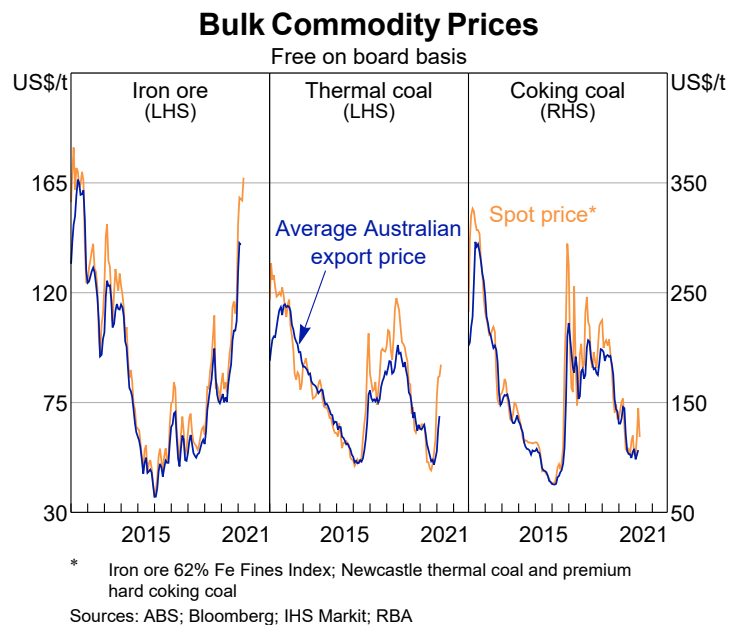
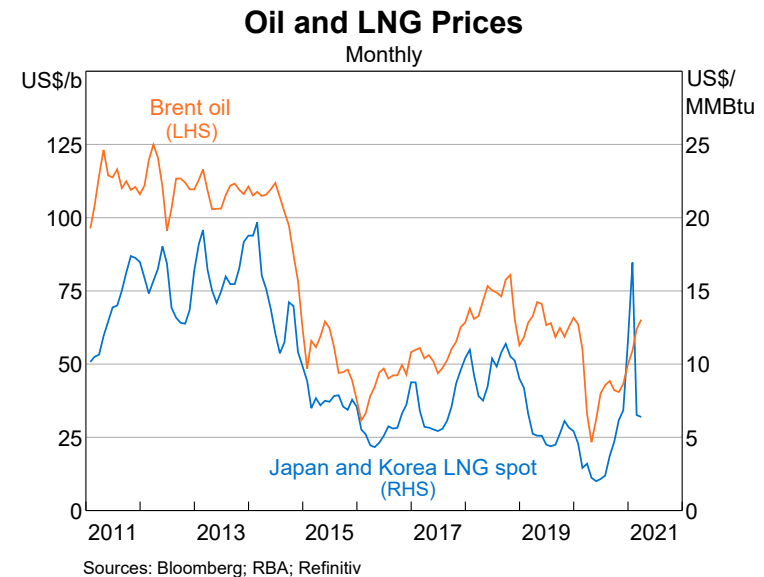
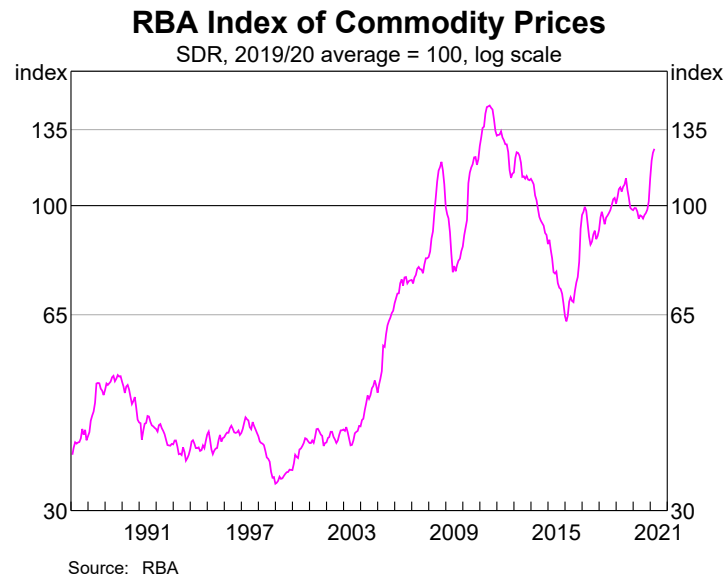


Source: ABS

Taxation Revenue Growth



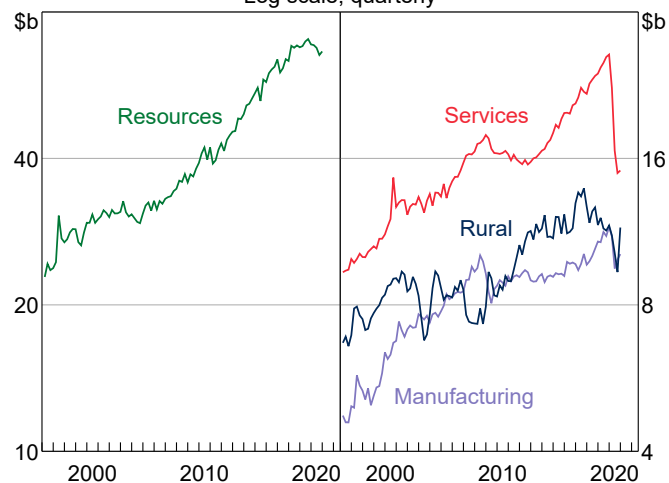
* Only includes taxation of resident corporations
Source: ABS



Balance of Payments and External Position

Export Volumes

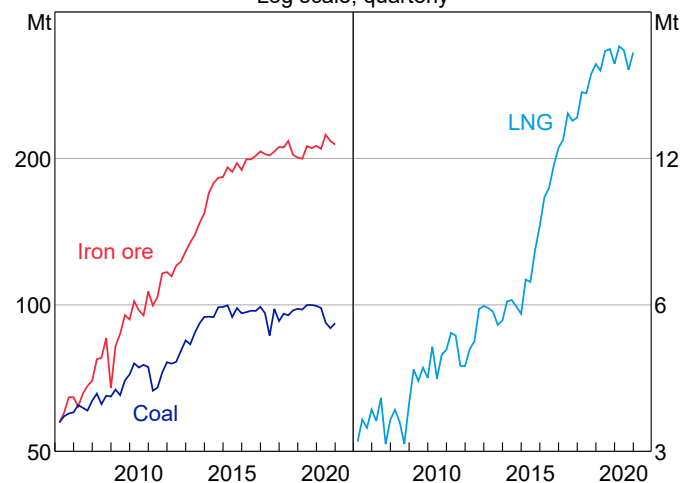
Log scale, quarterly



Sources: ABS; RBA

Resource Exports*

Log scale, quarterly

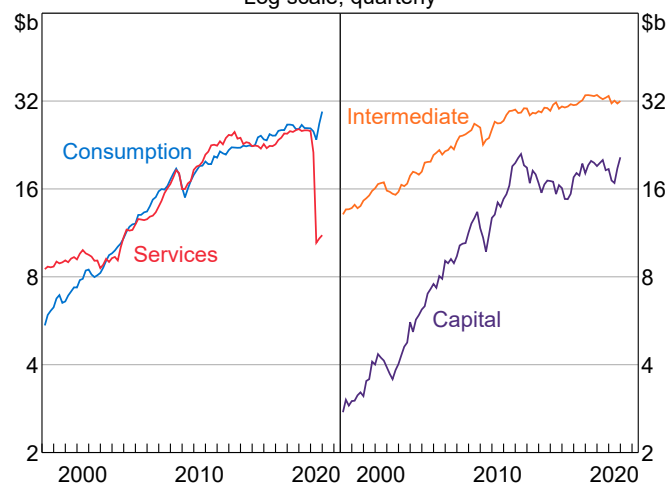


* Seasonally adjusted by the RBA

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

Import Volumes

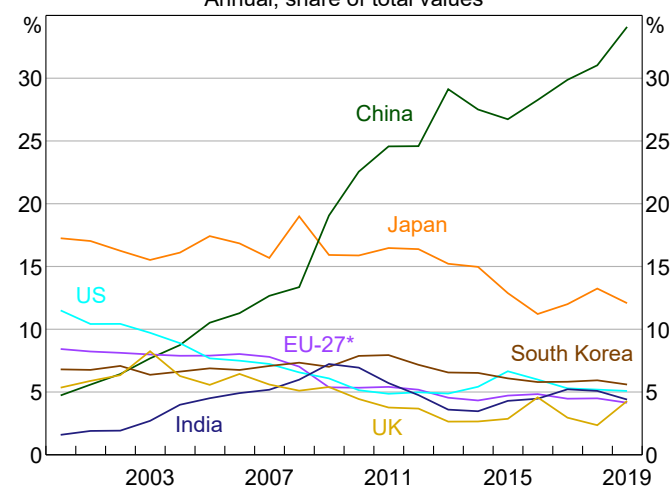
Log scale, quarterly



Source: ABS

Exports by Destination

Annual, share of total values



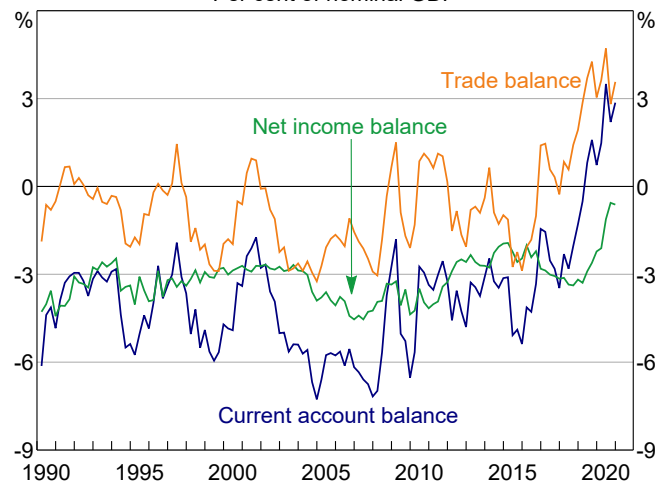
* The series has been revised to exclude the UK

Sources: ABS; RBA



Current Account Balance

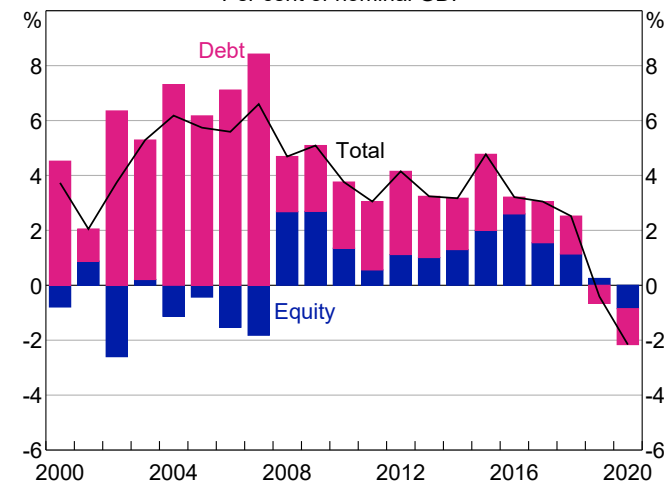
Per cent of nominal GDP



Source: ABS

Net Capital Inflow

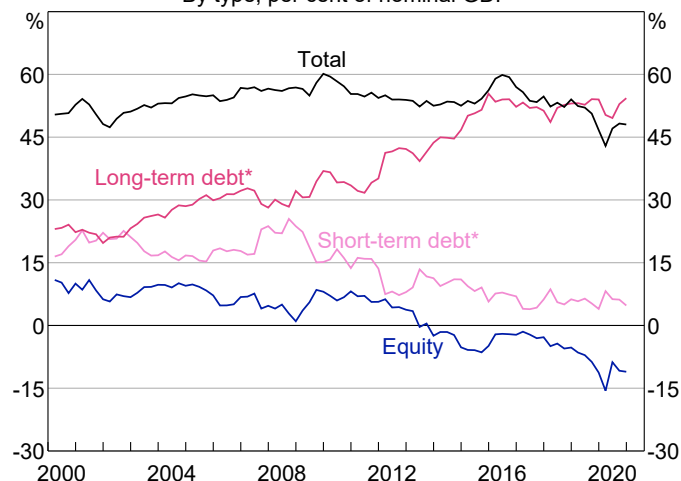
Per cent of nominal GDP



Source: ABS

Net Foreign Liabilities

By type, per cent of nominal GDP

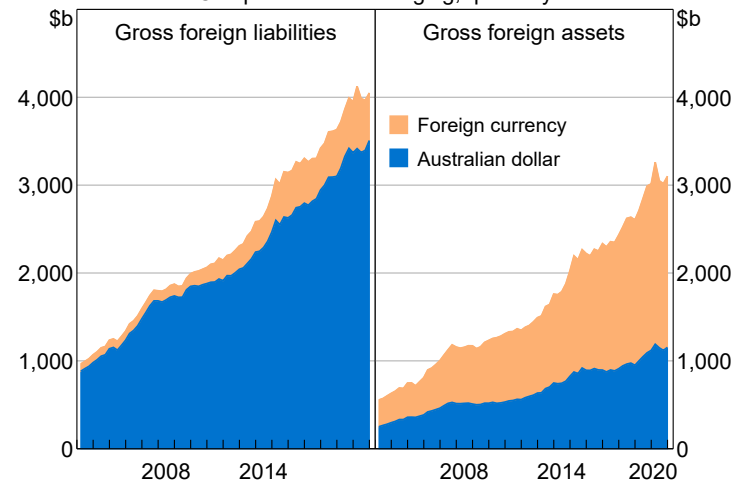


* Short-term includes debt with residual maturity of one year or less;
long-term includes all other debt

Source: ABS

External Position*

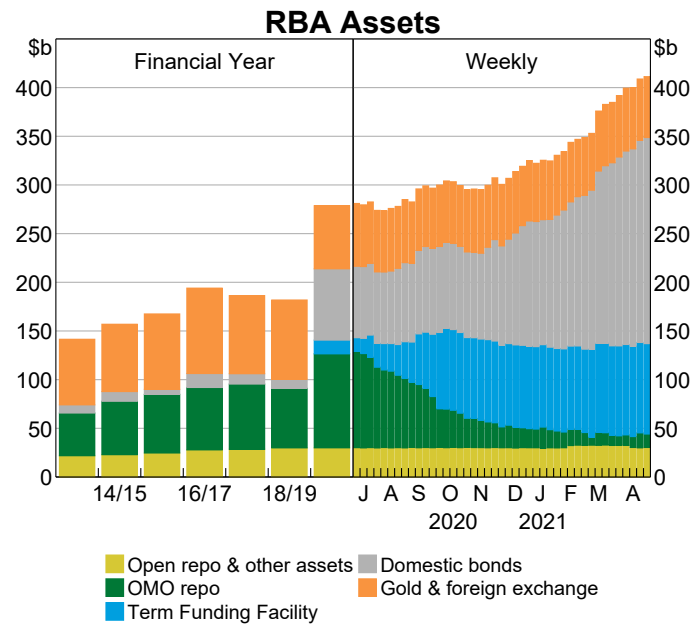
Composition after hedging, quarterly



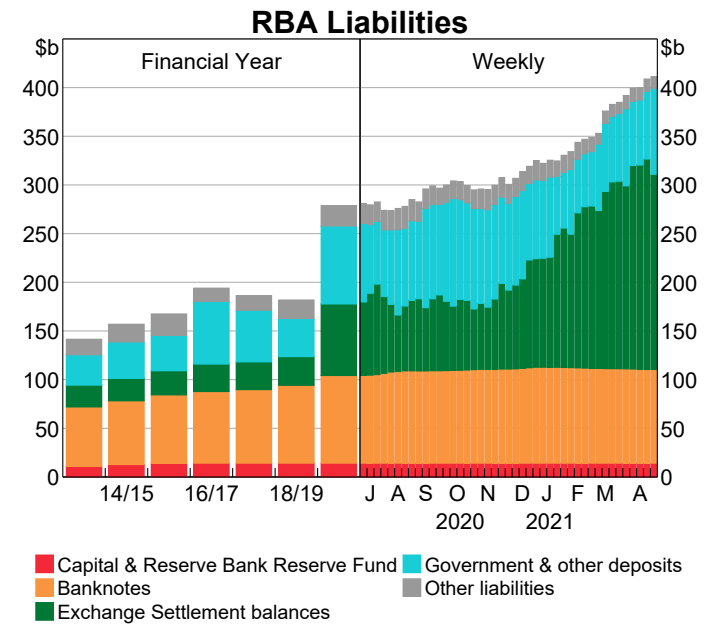
* Hedge ratios inferred from ABS Foreign Currency Exposure surveys
Sources: ABS; RBA



Central Bank Balance Sheets and Bond Purchases



Source: RBA

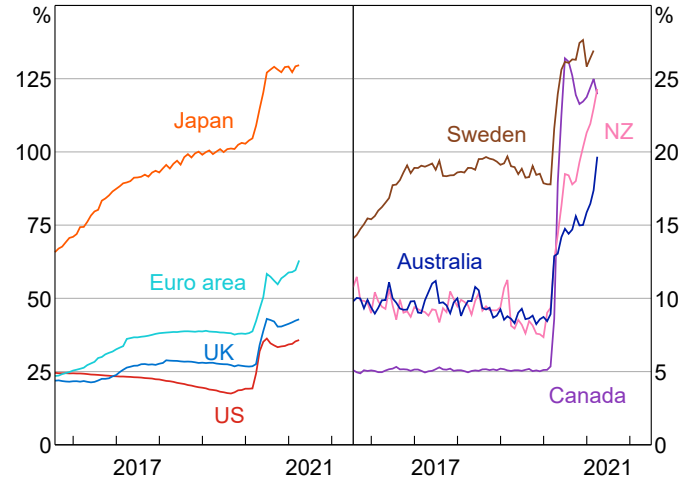


Source: RBA



Central Bank Total Assets

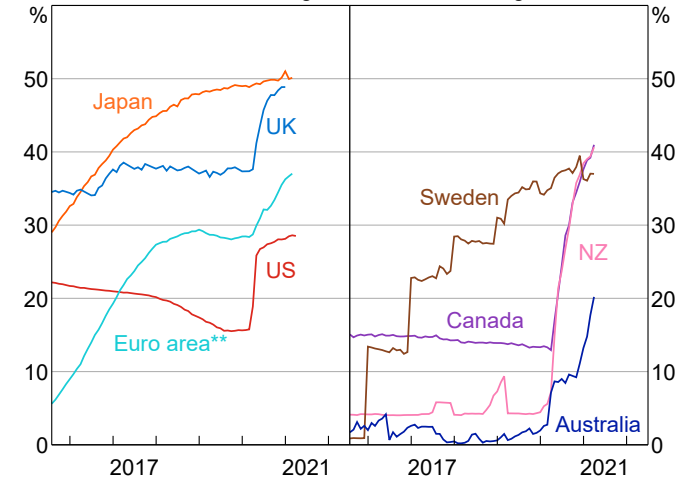
Per cent of GDP



Sources: Central banks; RBA; Refinitiv

Central Bank Government Bond Holdings

Per cent of eligible stock outstanding*

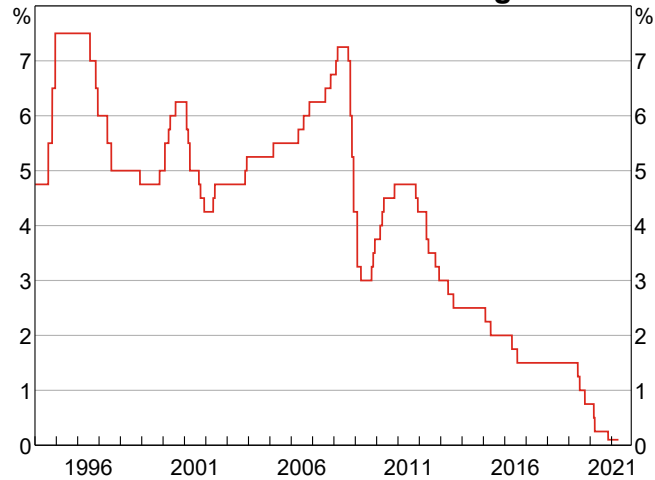


* Data include nominal and inflation-linked bonds issued by central governments that are eligible for purchase in the secondary market under central banks' government bond purchase programs (for Australia, this is nominal Australian Government Securities only); data for Euro area also include eligible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

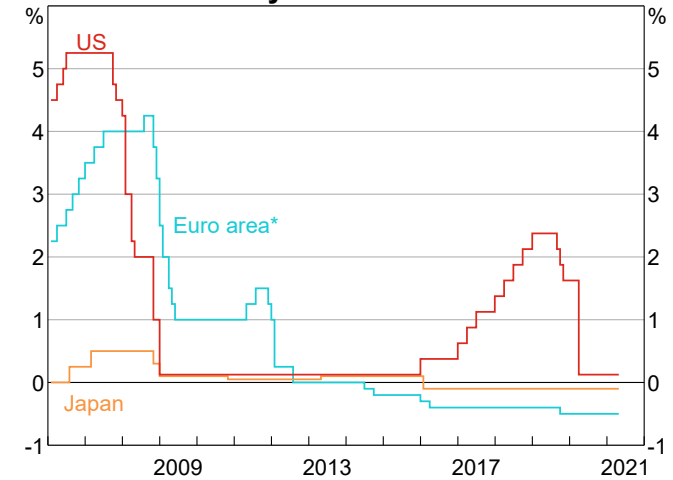
Sources: Central banks; debt management offices; RBA; Refinitiv

Australian Cash Rate Target



Source: RBA

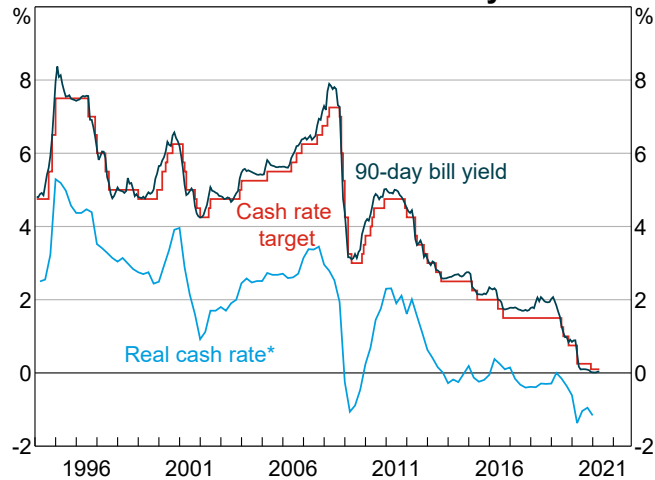
Policy Interest Rates



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

Source: Central banks

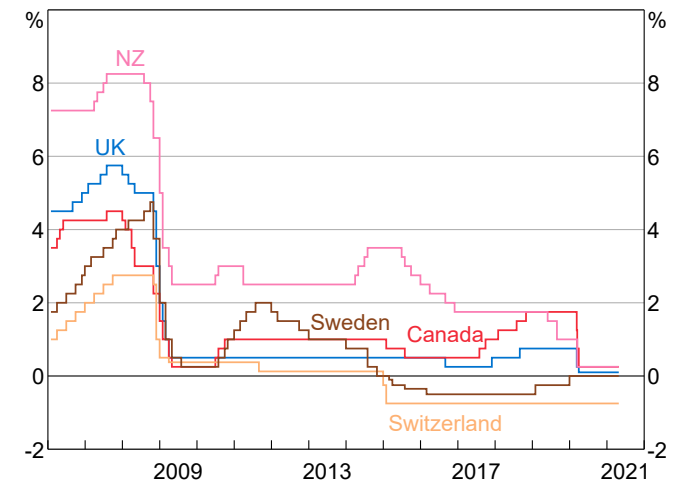
Australian Cash Rate and 90-day Bill Yield



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

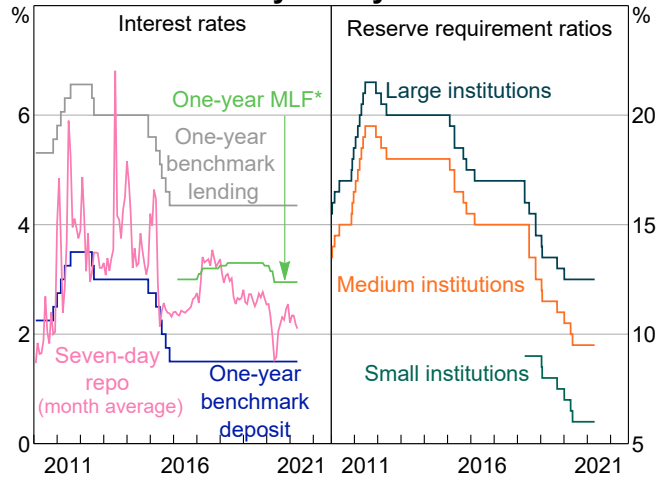
Sources: ABS; AFMA; ASX; RBA

Policy Interest Rates – Selected Advanced Economies



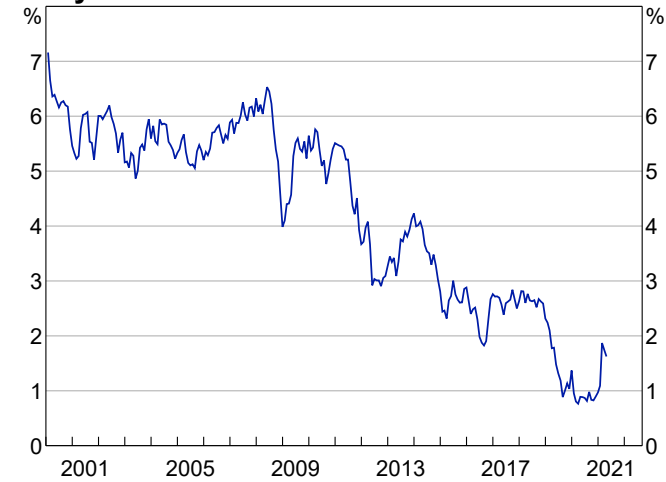
Source: Central banks

Monetary Policy – China



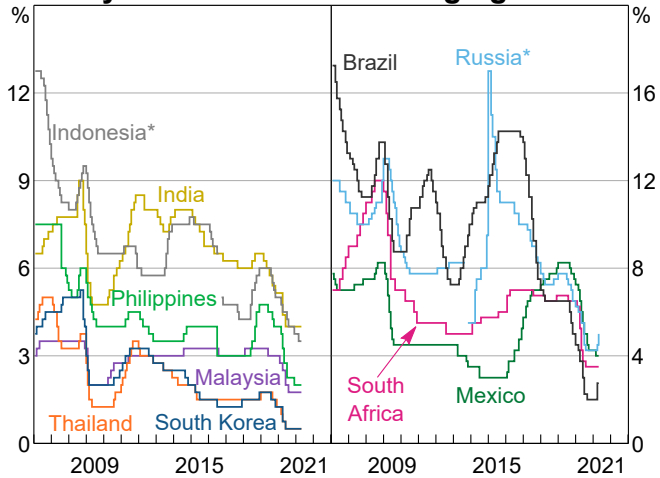
* Medium term lending facility
Sources: CEIC Data; RBA

10-year Australian Government Bond Yield



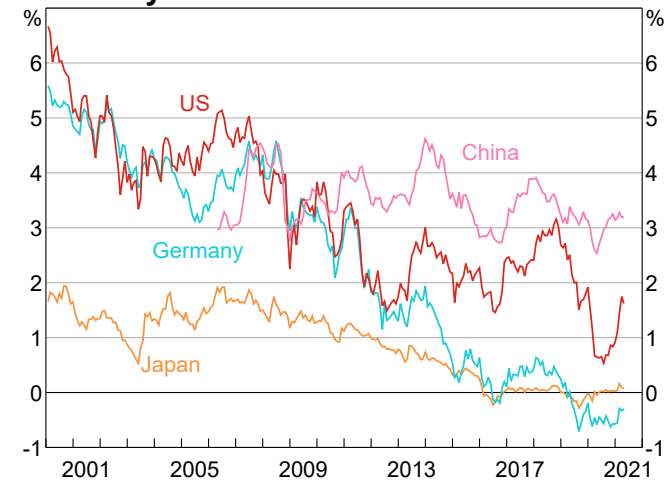
Sources: RBA; Yieldbroker

Policy Interest Rates – Emerging Markets



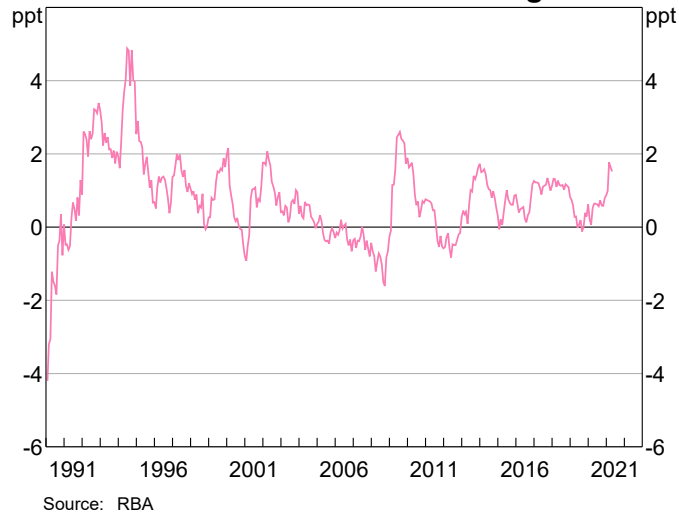
* Breaks in series indicate changes in the official policy rates for Russia (September 2013) and Indonesia (August 2016)
Source: Central banks

10-year Government Bond Yields

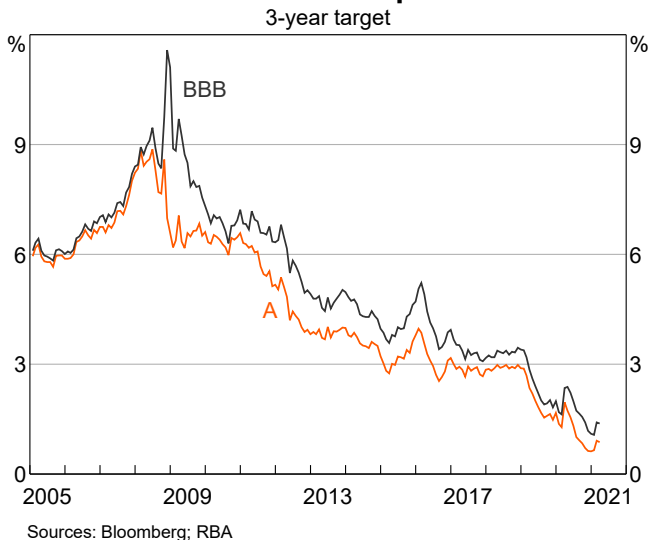


Sources: CEIC Data; Refinitiv

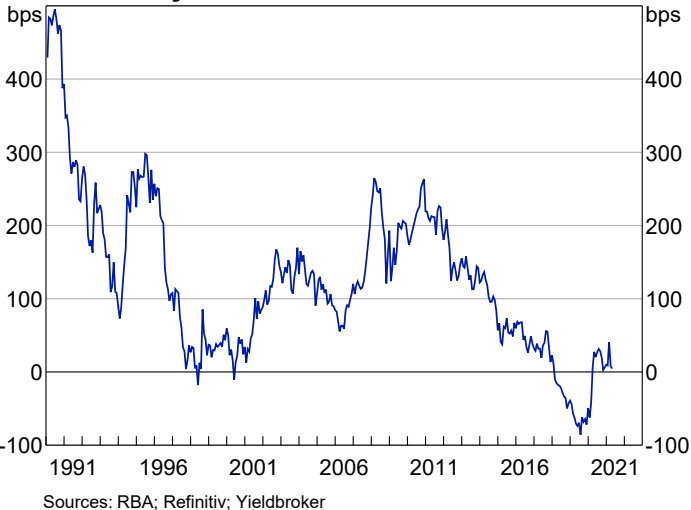
Spread between Australian 10-year Bond Yield and the Cash Rate Target



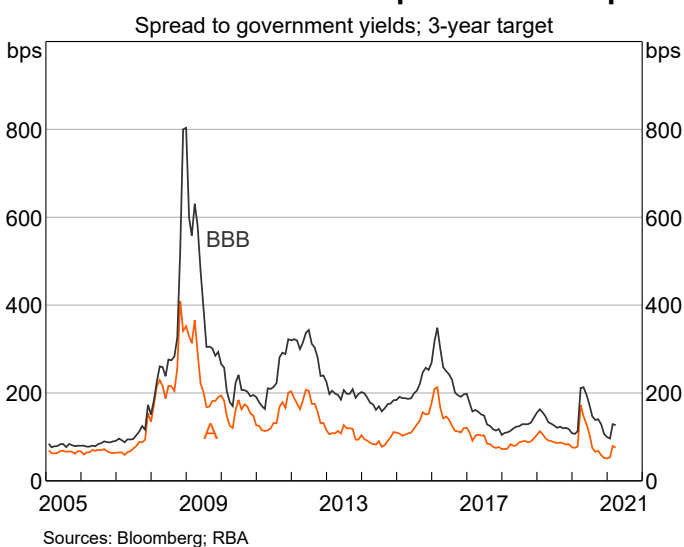
Australian Non-financial Corporate Bond Yields



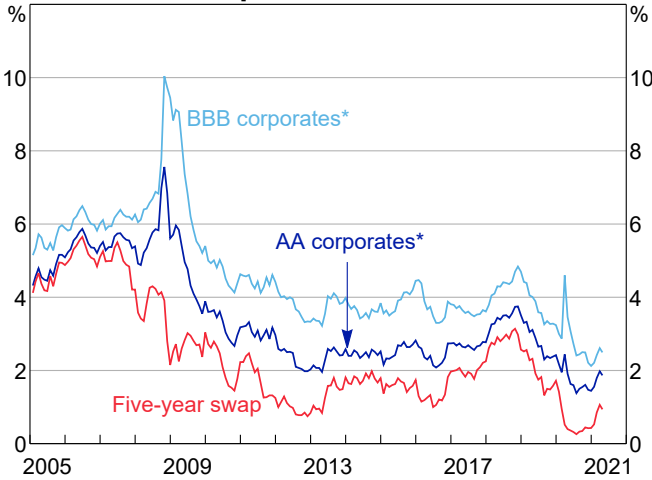
Differential between Australian and US 10-year Government Bond Yields



Australian Non-financial Corporate Bond Spreads

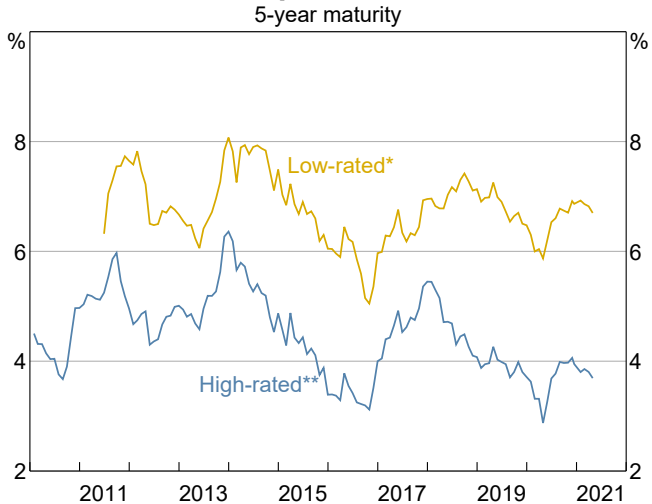


US Corporate Bond Yields



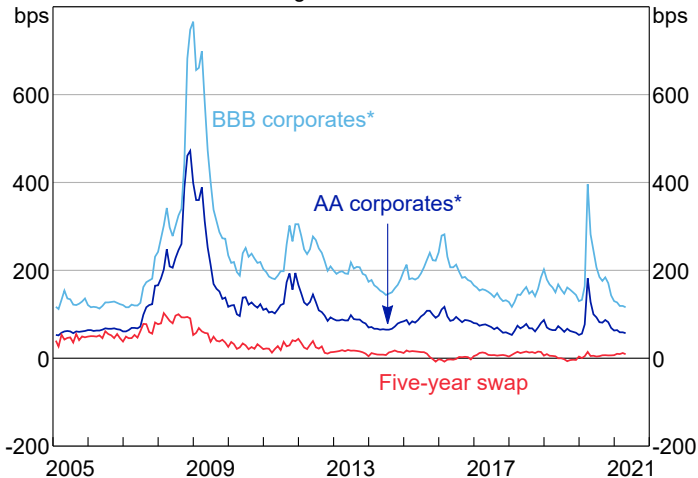
* Includes financials and non-financials
Source: ICE Data is used with permission

Chinese Corporate Bond Yields



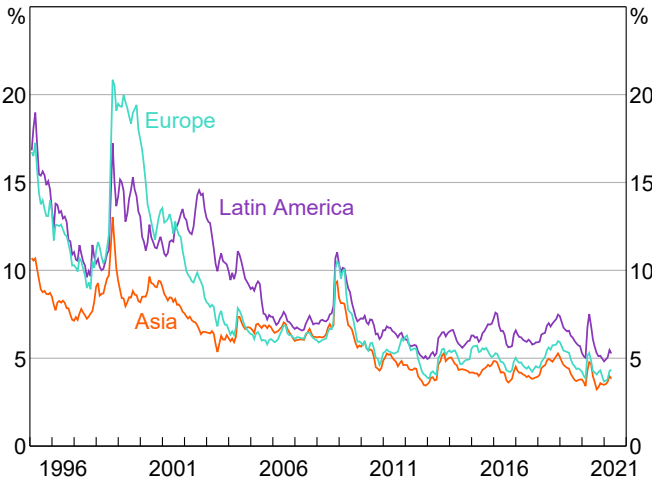
* Based on AA- domestically rated bond
** Based on AAA domestically rated bond
Source: CEIC Data

US Corporate Bond Spreads
To US government bonds



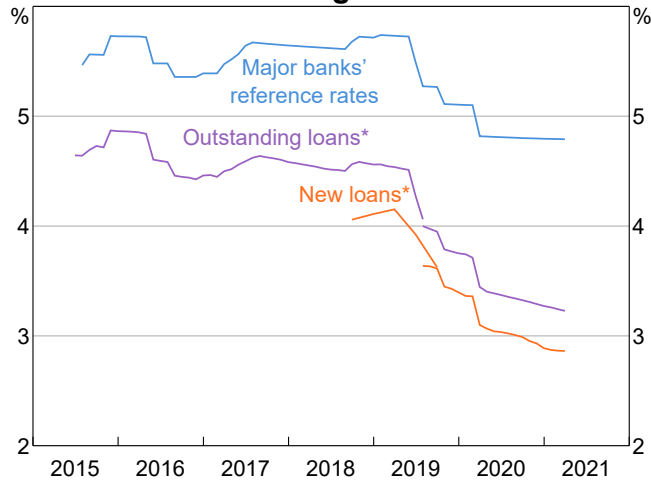
* Includes financials and non-financials
Sources: Bloomberg; ICE Data is used with permission

Emerging Market Government Bond Yields*
US dollar-denominated



* Weighted average across issuers
Source: J.P. Morgan

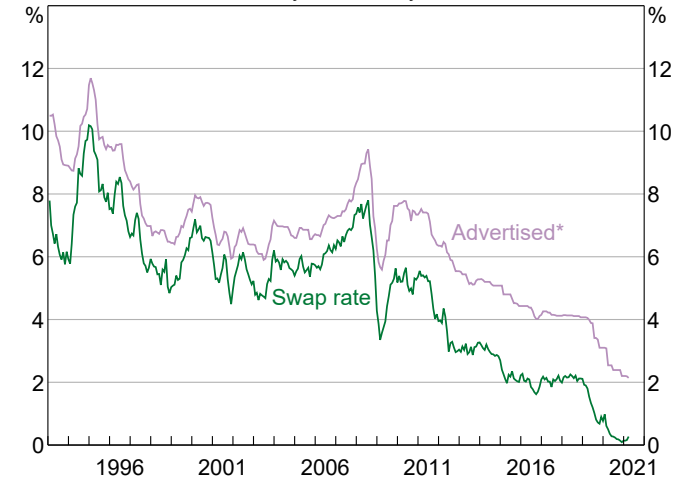
Variable Housing Interest Rates



* Series break in July 2019; thereafter, data based on EFS collection
Sources: APRA; banks' websites; CANSTAR; RBA; Securitisation System

Fixed Housing Interest Rates

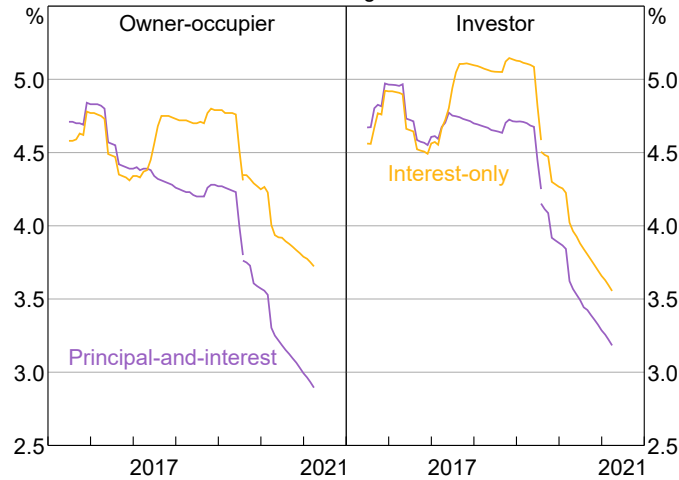
3-year maturity



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

Housing Interest Rates*

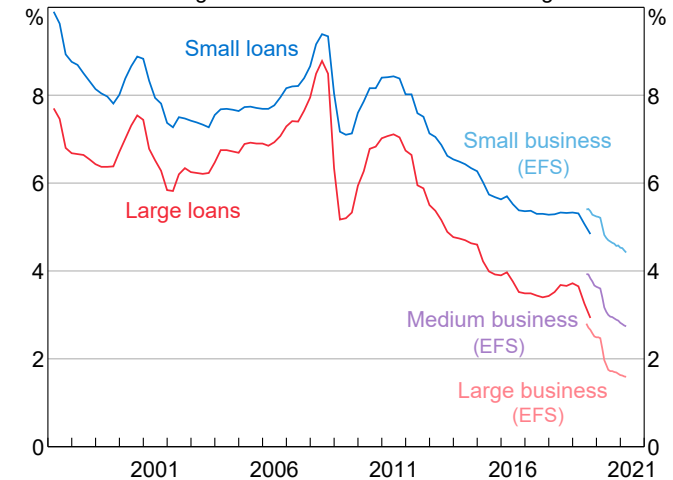
Outstanding loans



* 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*

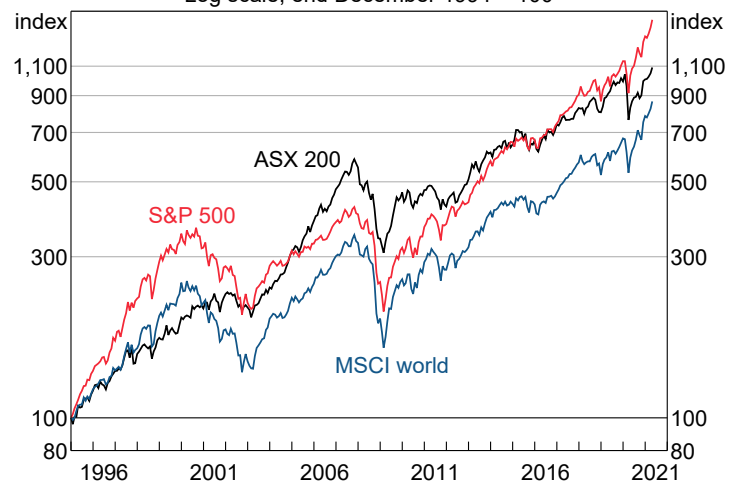
Average interest rate on credit outstanding



* 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)
Sources: APRA; RBA

Share Price Accumulation Indices

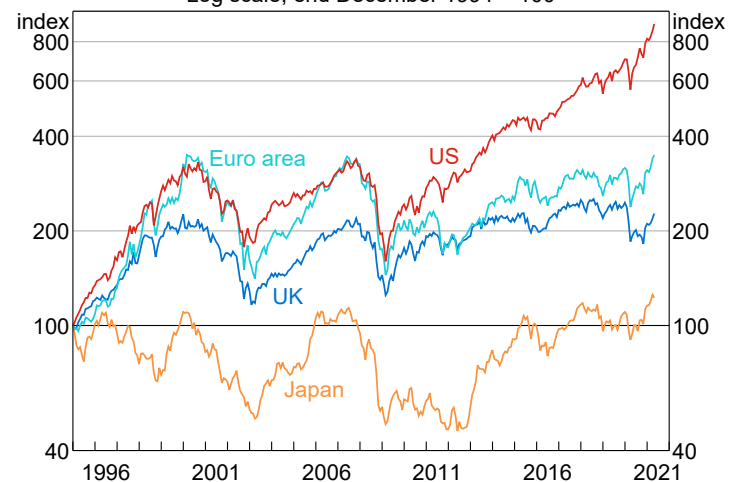
Log scale, end December 1994 = 100



Sources: RBA; Refinitiv

Advanced Economies' Share Price Indices

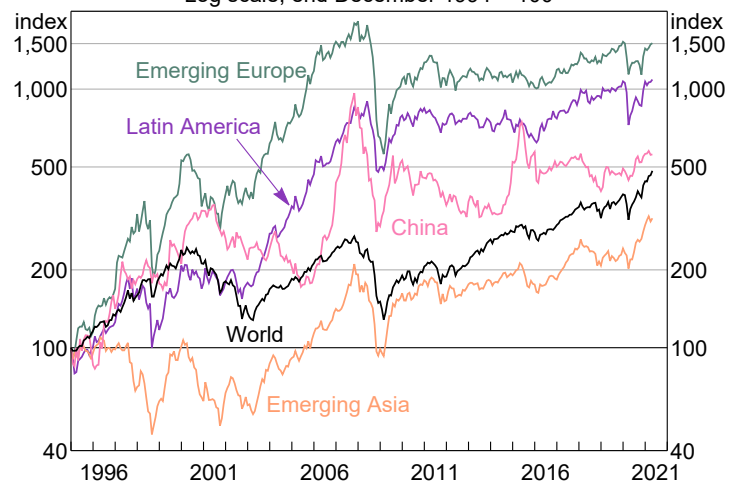
Log scale, end December 1994 = 100



Sources: Bloomberg; RBA

Emerging Markets' Share Price Indices*

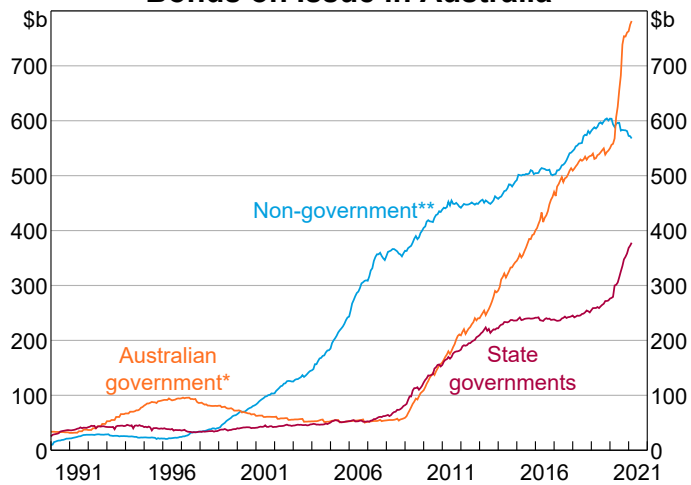
Log scale, end December 1994 = 100



* MSCI indices; Shanghai Composite Index for China

Sources: Bloomberg; MSCI; RBA

Bonds on Issue in Australia

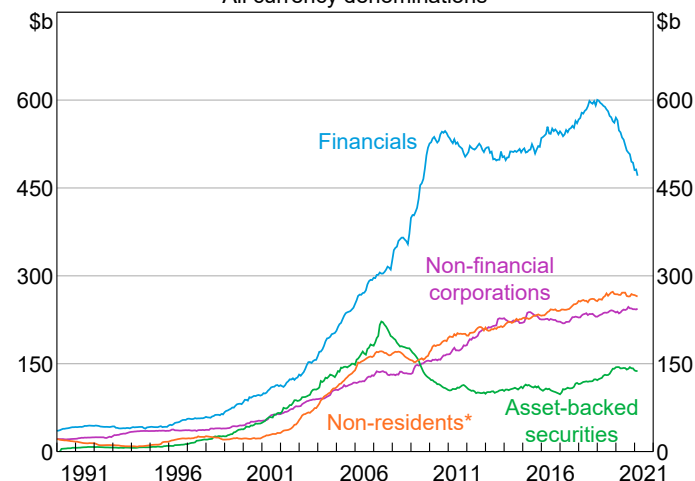


* Excludes bonds purchased by the Australian Government
 ** Excludes ADIs' self-securitisations, includes government-guaranteed bonds

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

Total Non-government Bonds on Issue

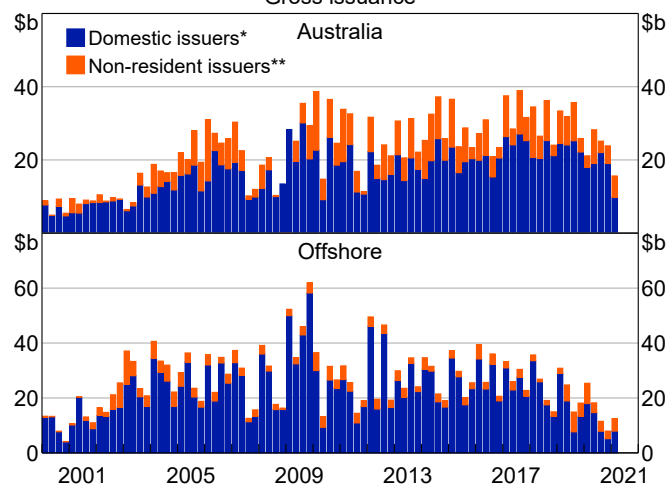
All currency denominations



* Australian dollar-denominated bonds only
 Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

Non-government Bond Issuance

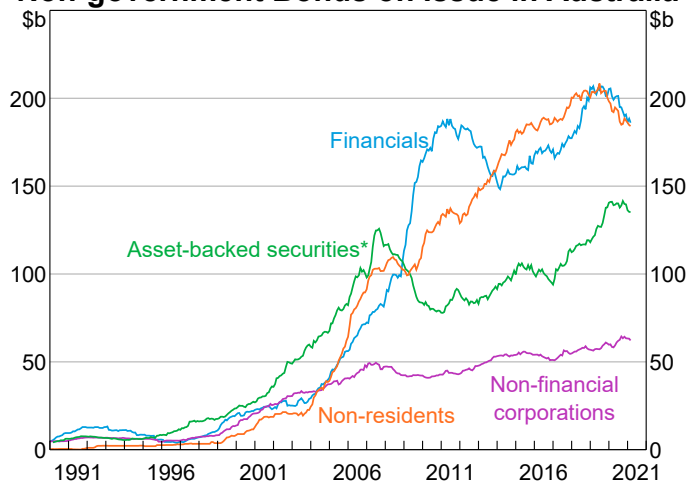
Gross issuance



* Excludes ADIs' self-securitisations
 ** Offshore non-resident issuance includes Australian dollar-denominated bonds only

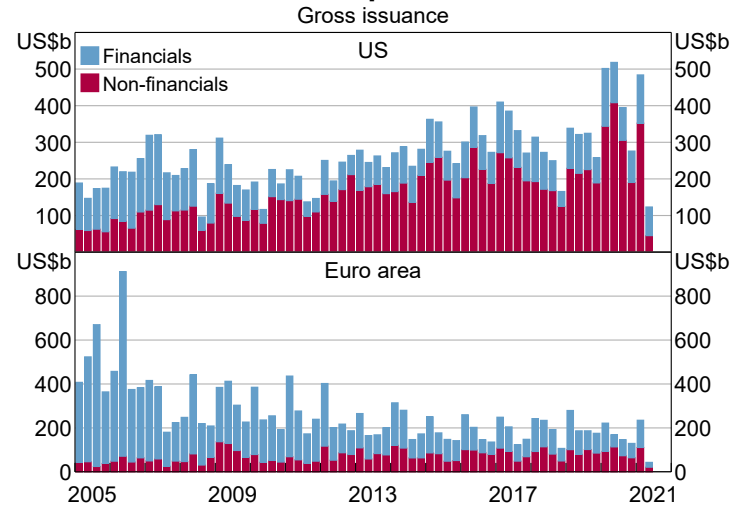
Sources: Bloomberg; KangaNews; Private Placement Monitor; RBA

Non-government Bonds on Issue in Australia



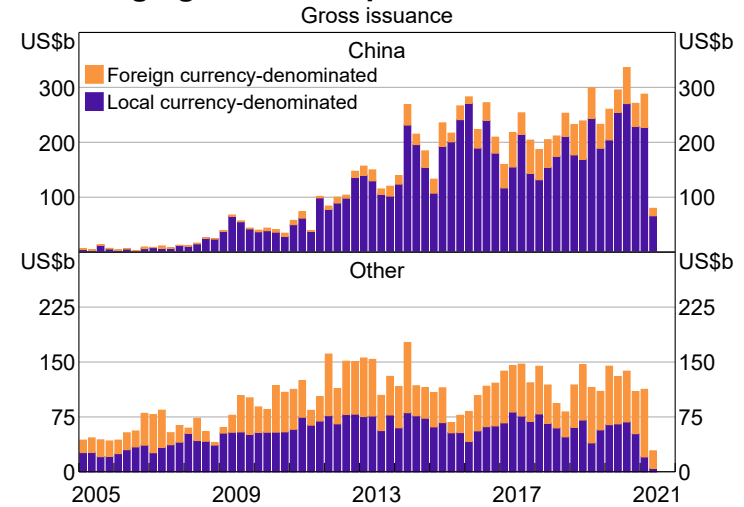
* Excludes ADIs' self-securitisations
 Sources: ABS; Bloomberg; KangaNews; Private Placement Monitor; RBA

US and Euro Area Corporate Bond Issuance*



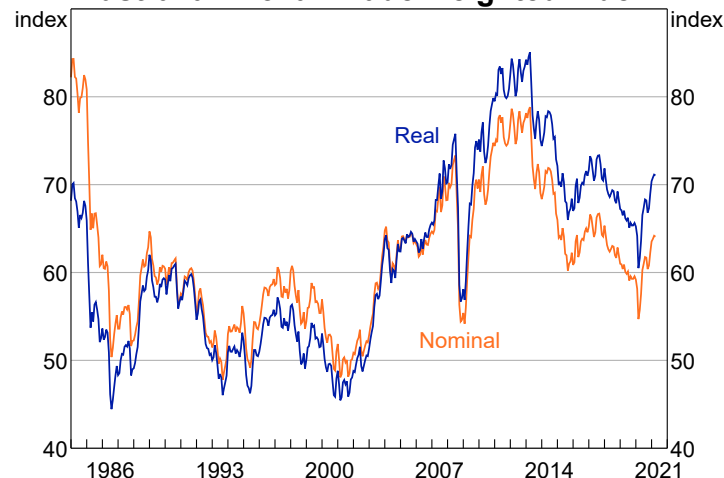
* June 2021 is quarter-to-date
Sources: Dealogic; RBA

Emerging Market Corporate Bond Issuance*



* June 2021 is quarter-to-date
Sources: Dealogic; RBA

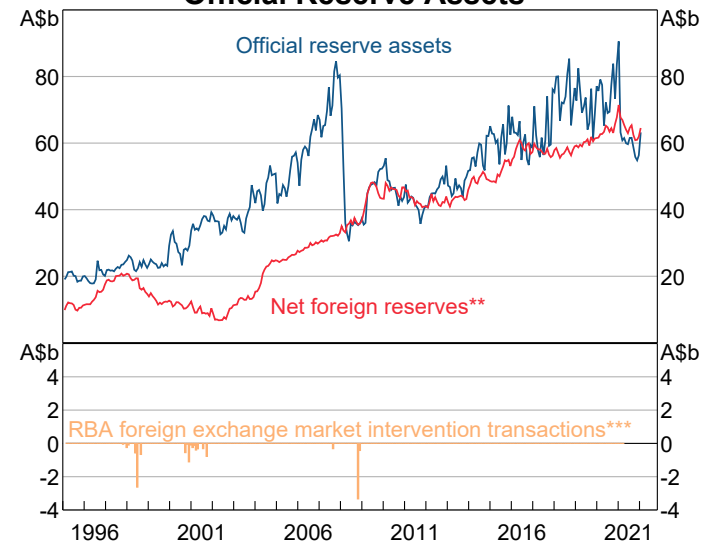
Australian Dollar Trade-weighted Index*



* 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*



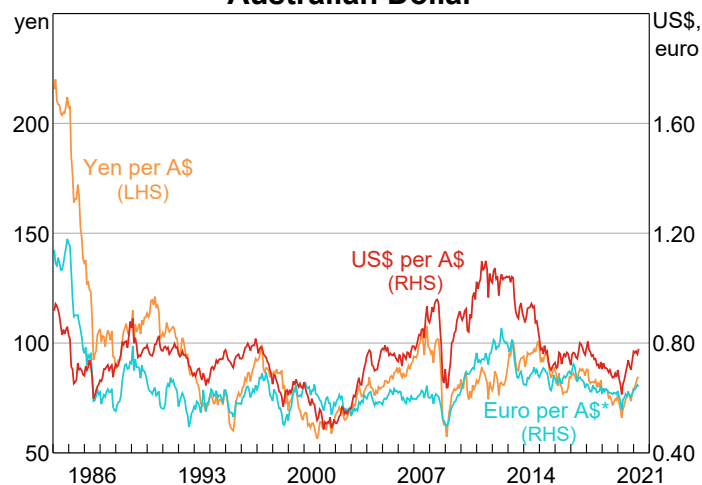
* The reporting methodology for official reserve asset data changes in 2015

** 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

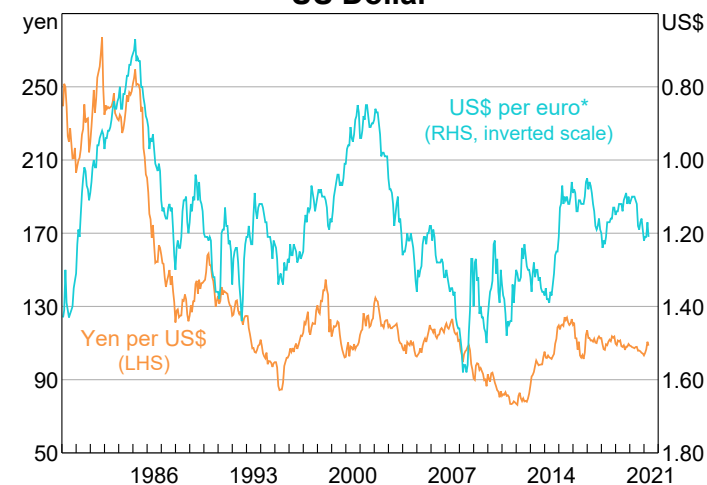
Australian Dollar



* ECU per A\$ until 31 December 1998

Source: Bloomberg

US Dollar

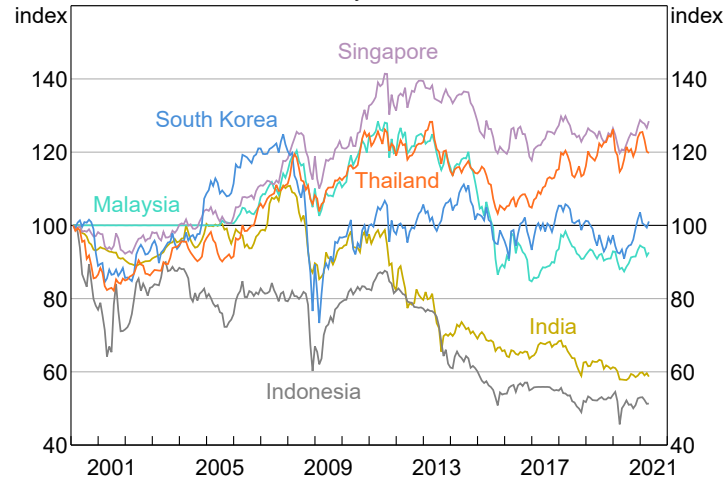


* US\$ per ECU until 31 December 1998

Sources: Bloomberg; Eurostat

Selected Asian Currencies against the US Dollar

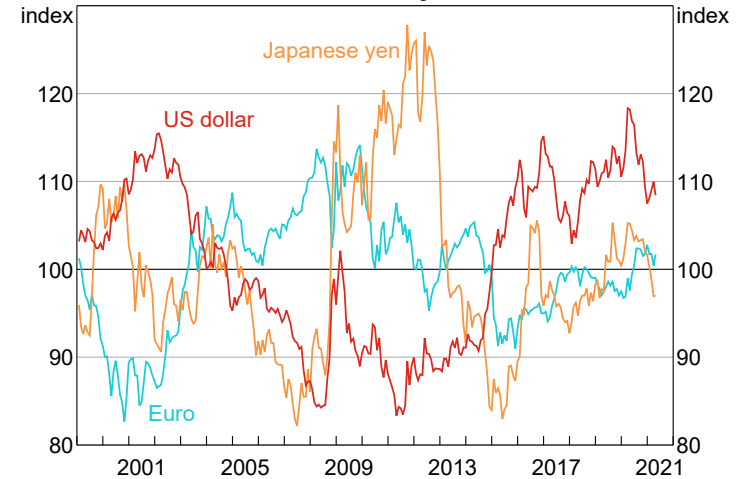
31 January 2000 = 100



Source: Bloomberg

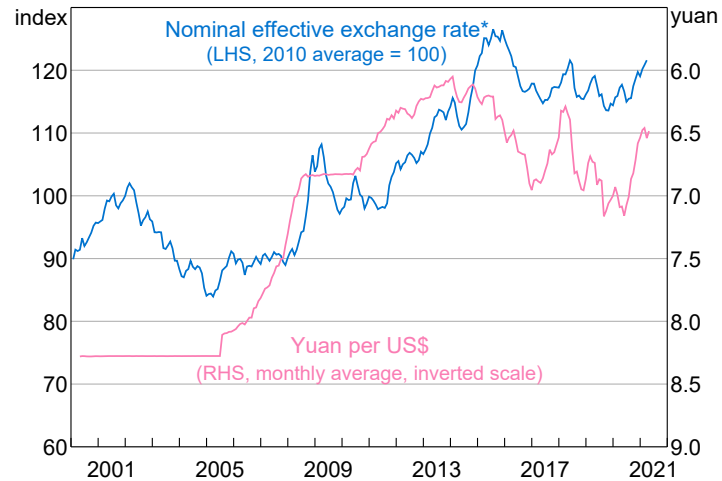
G3 Nominal Trade-weighted Indices

1999–2020 average = 100



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

Chinese Renminbi

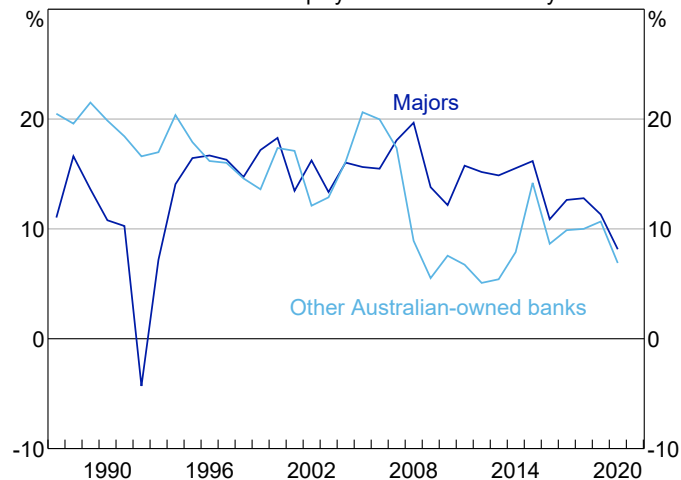


* Monthly average nominal rate calculated using BIS EER weights

Sources: BIS; Refinitiv

Australian Bank Profitability*

Return on shareholders' equity after tax and minority interests



* 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

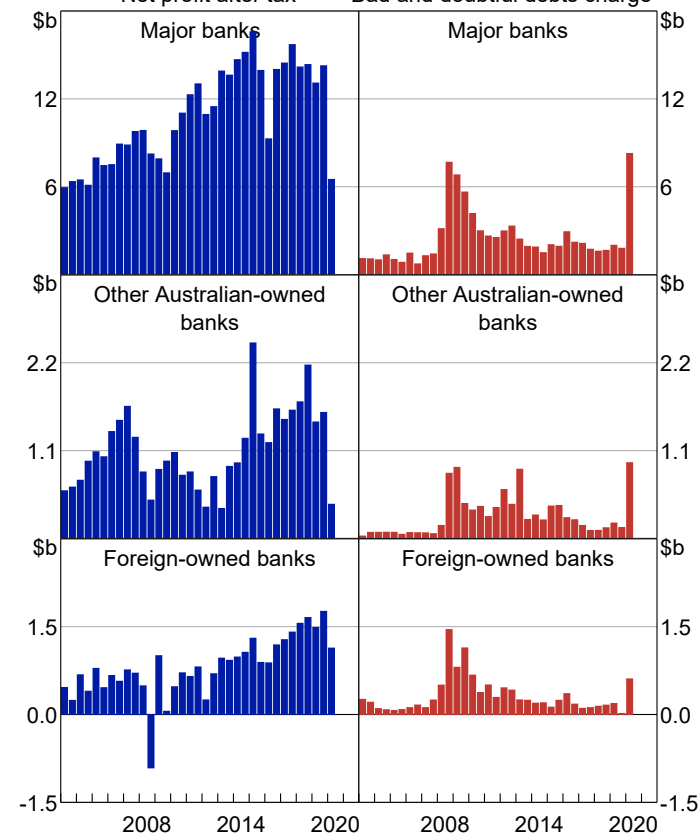


* Data for a given period relate to banks' public profit reports released in that half; IFRS basis from 2006, AGAAP prior; excludes St George Bank and Bankwest prior to the first half of 2009

Sources: Banks' financial reports; RBA

Australian Bank Profits

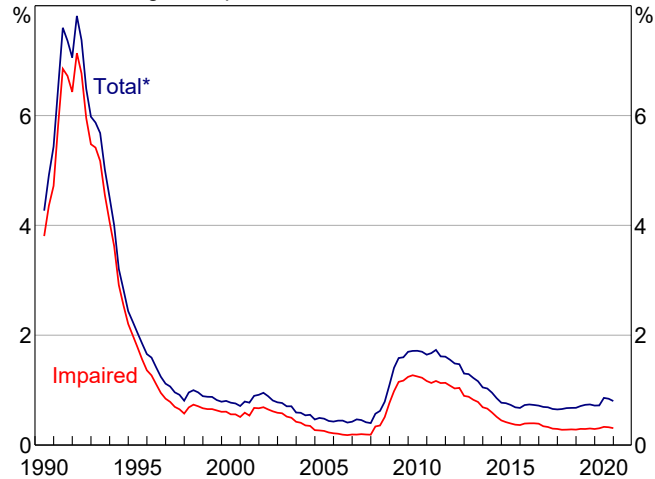
Net profit after tax Bad and doubtful debts charge



Sources: APRA; RBA

Banks' Non-performing Assets

Consolidated global operations, share of on-balance sheet assets

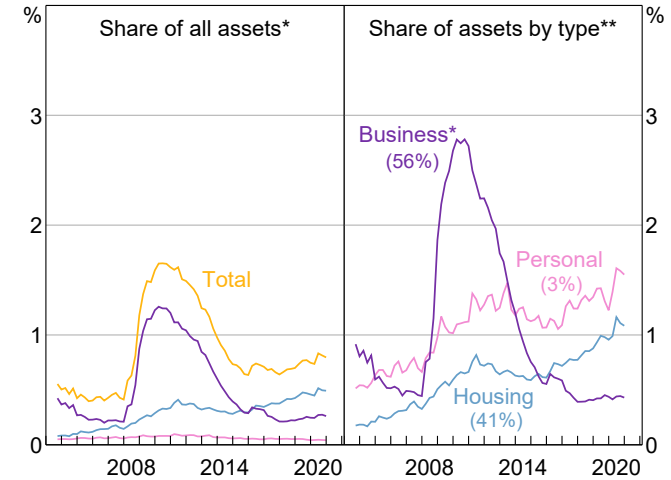


* Includes assets 90+ days past due that are well secured

Source: APRA

Banks' Non-performing Assets

Domestic books



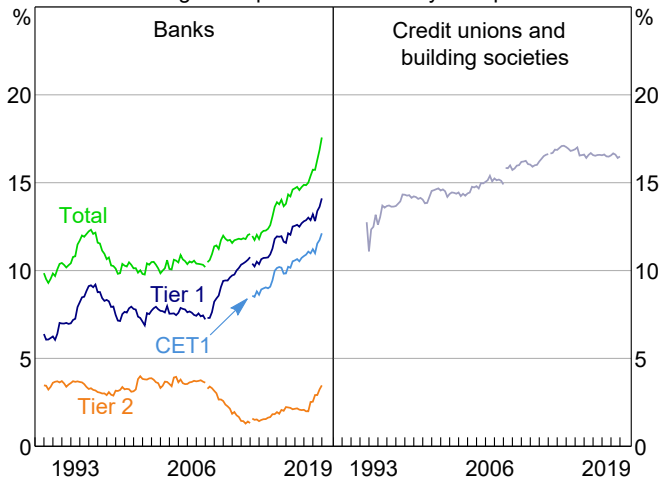
* Includes lending to financial businesses, bills, short-term and long-term debt securities and other non-household loans

** Each category's share of total domestic lending at September 2020 is shown in parentheses; shares may not add up to 100 due to rounding

Sources: APRA; RBA

Capital Ratios*

Consolidated global operations of locally incorporated ADIs

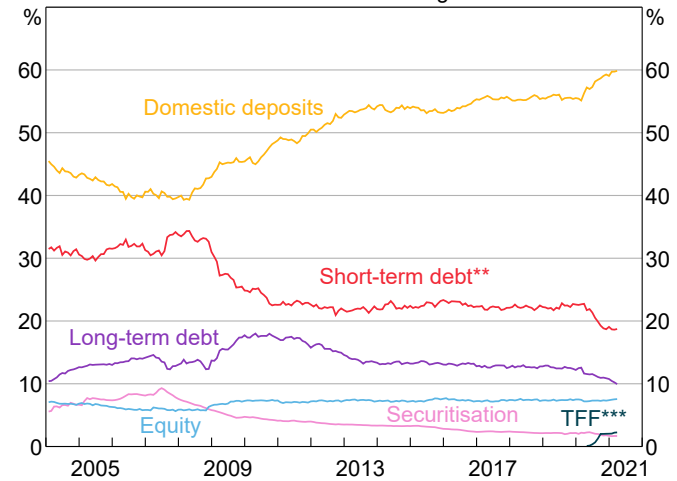


* Per cent of risk-weighted assets; break in March 2008 due to the introduction of Basel II for most ADIs; break in March 2013 due to the introduction of Basel III for all ADIs

Source: APRA

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

