



Economic Indicators: Queensland and Australia

As at 7 August 2015

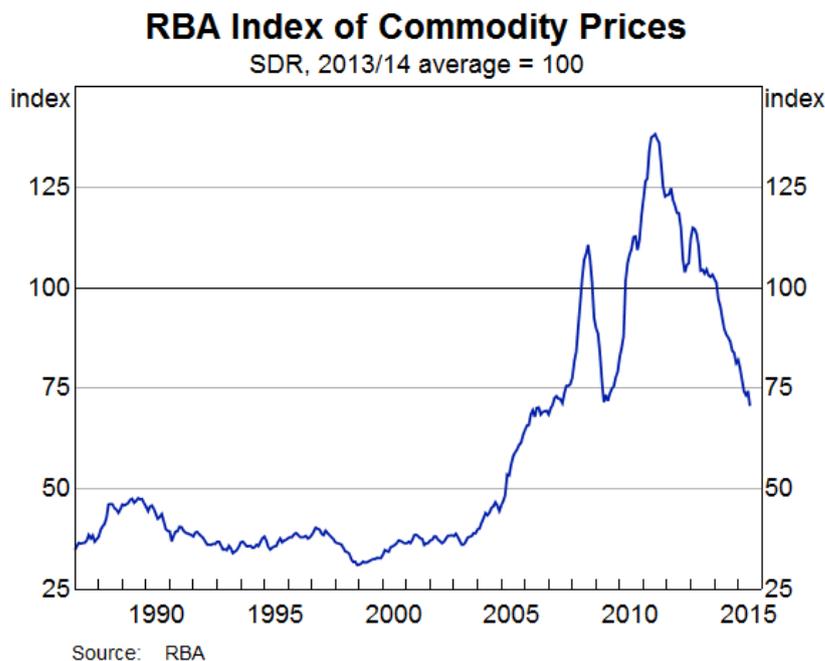
Market Summary

The Reserve Bank of Australia (RBA) kept the cash rate steady at 2.0% at the August meeting, noting that while employment had grown, growth was below the long-term average and labour costs had grown very slowly, meaning inflation was forecast to stay within target over the next one to two years.

As at 4 August, the All Ordinaries sat at 5,615.62 pts and the Australian dollar bought US\$0.7358, approximately 20 USc lower than the same time last year.

The RBA [Index of Commodity Prices](#) showed a fall in [SDR](#) terms of 5.0% in July 2015 (on a monthly average basis) after a 1.5% rise in June. The index has fallen by 20.2% over the past year in SDR terms (See Figure 1), or by 8.5% when expressed in Australian dollars.

Figure 1: Index of commodity prices, July 2015



Commodities showed mixed fortunes. Cattle futures rose by around 19 Ac/kg, continuing to set new records, iron ore rose by around 6 US\$/t and gold rose marginally, while the remaining commodities fell modestly.

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Market Monitor

	Price (Week ending 7 Aug)
AUD\$/US\$	↓ \$0.7358
All Ord. Share Index	↓ 5,615.62
Cattle Futures (EYCI)	↑ 564.13 Ac/kg
Sugar (ICE No.11 Futures)	↓ 10.80 USc/lb
Cotton (No. 2 Futures)	↓ 64.83 USc/lb
Iron Ore 62% Fe	↑ 56.40 US\$/t
Mogas95[#]	↓ 69.33 US\$/bbl
Gold (week-end London PM Fix)	↑ 1,093.50 US\$/oz

Economic Indicators Summary: Latest Results ¹		
RBA Cash Rate (4 August 2015)	↔ at 2.00%	
Unemployment Rate (July 2015)	Qld ↔ at 6.3%	Aust ↑ at 6.1%
Participation Rate (July 2015)	Qld ↓ at 65.3%	Aust ↑ at 64.9%
International Trade (June 2015)	Trade Balance ↓ 11% at -\$2.946 billion Exports ↓ 0.8% at \$25.753 billion Imports ↔ 0.0% at \$28.699 billion	
Building Approvals (June 2015)	Qld ↑ 0.2%	Aust ↓ 1.2%
Retail Trade (June 2015)	Qld ↔ 0.0%	Aust ↑ 0.3%
Housing Finance (value)² (June 2015)	Qld ↑ 0.2% at \$3.189 billion	Aust ↑ 0.2% at \$18.400 billion

[#] Mogas 95 is the Singapore benchmark petrol price closely linked to Australian domestic fuel prices.

¹ Unless otherwise indicated, the data referred to in this document is trend data. The Australian Bureau of Statistics (ABS) defines trend data as a seasonally adjusted series that has been further adjusted to remove irregular effects and 'smooth' out the series to show the overall 'trend' of the data over time.

² Owner occupied.

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NEW RELEASES THIS MONTH

General economic data

At its 4 August meeting, the RBA kept the cash rate at the record low level of 2.00%, due to slow economic and labour cost growth.

Proxy data for the state of the economy were mixed. [The Westpac-Melbourne Institute Index of Consumer](#) sentiment rose by 7.8% in August, from 92.2 points in July to 99.5. When the index is below 100, more consumers are pessimistic than optimistic about the economy, and it has been below 100 for 16 of the last 18 months. Westpac noted that this was a significant increase, with no obvious cause. It speculated that the rise could have been due to consumers feeling more relaxed because of fewer bad news stories surrounding the Greek economy and the Chinese equity market, and positive news regarding domestic house prices.

In July 2015, the [NAB Business conditions and Business confidence indices fell](#). Business confidence fell from +8 to +4 with confidence falling in most industries, most notably mining and construction. Business conditions fell 4 points to +6.

[ANZ job ads](#) rose 0.4% in July in trend terms, and have risen every month since November 2013. Job ads are up 9.6% over the year.

Labour Force, Australia, July 2015 – released 6 August 2015³

National

The trend national unemployment rate rose to 6.1%, and unemployment rose by 3,000 compared with June. The figure of 6.1% is the same as a year ago, representing a rise in unemployment of 18,600.

Employment rose by 0.2%, or 17,800, for July to 11,797,300. The participation rate remained at 64.9%, 0.2% higher than July 2014.

Queensland

The trend unemployment rate remained at 6.3% in July, representing 1,200 fewer people seeking and unable to find work. Annually, the unemployment rate fell 0.2% or (4,200 persons) from 6.5% in July 2014.

Employment rose by 3,600 (0.2%) in July to 2,349,000, while the participation rate remained at 65.3%, below the 66.1% in July 2014.

³ Australian Bureau of Statistics, [Labour Force, Australia, July 2015](#), cat no 6202.0, ABS, 2015.

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International Trade in Goods and Services, Australia, June 2015, released 4 August 2015⁴

The balance on goods and services declined by \$287 million (11.0%) to a deficit of \$2.946 billion in June 2015. Exports fell by \$214 million (-0.8%) to \$25.753 billion, while imports rose \$13 million for the month (0.0%), to \$28.699 billion.

Retail Trade – June 2015, released 4 August 2015⁵

National

Retail trade in Australia rose 0.3% in June, consistent with the previous two months' increases. From June 2014, the national estimate of retail turnover increased 4.7%, or \$1.083 billion. In dollar terms at current prices, retail turnover at the national level increased from \$24.226 billion to \$24.230 billion.

The top performing industries in retail turnover for the month (in current prices) were *Household goods retailing* (0.8%) and *Other retailing* (0.4%).

Queensland

Monthly estimated retail turnover was unchanged in June 2015, at \$4.949 billion. This is \$163.7 million, or 3.4%, higher than June 2014. This was the fourth highest increase among the states.

Other recreational goods retailing increased by 2.1% in June, while *Furniture, floor coverings, houseware and textile goods retailing* increased by 0.9%. The greatest declines were in *Electrical and electronic goods* and *Pharmaceutical, cosmetic and toiletry goods retailing* (both -0.8%).

Building Approvals, June 2015 – released 30 July 2015⁶

National

Total dwelling units approved fell 1.2% in June to 18,724. Over the year from June 2014, total dwelling approvals increased by 14.4%. The estimated value of new residential building approved fell 1.4% in June, to \$4.983 billion, and has fallen for four months.

Queensland

Estimated total dwelling unit approvals rose by 0.2% in June, to 3,694. Total dwellings approved has increased 15.9% since June 2014. The estimated value of new residential buildings approved fell 0.9% in June, to \$1.047 billion.

⁴ Australian Bureau of Statistics, [International Trade in Goods and Services, Australia, June 2015](#), cat no 5368.0, ABS, 2015.

⁵ Australian Bureau of Statistics, [Retail Trade, Australia, June 2015](#), cat no 8501.0, ABS, 2015.

⁶ Australian Bureau of Statistics, [Building Approvals, Australia, June 2015](#), cat no 8731.0, ABS, 2015.

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Housing Finance, June 2015 – released 7 August 2015⁷

National

The value of housing finance for total dwellings increased 0.2% nationally for June to \$32.149 billion. The value of owner occupied housing commitments rose 0.1% to \$18.400 billion. Investment housing commitments increased 0.2% to \$13.750 billion.

Queensland

The value of housing finance commitments (owner occupied) for Queensland increased 0.2% at \$3.189 billion in June 2015. Tasmania recorded the largest fall in the value of commitments (-1.9%), while the largest increases were in the ACT (0.7%) and Northern Territory (0.5%).

Economic releases due out by 10 September 2015:

- Building Approvals, Australia, July 2015 – due for release on 1 September 2015
- RBA – cash rate decision announcement – due for release on 1 September 2015
- Gross Domestic Product, June 2015 – due for release by 2 September 2015
- International Trade, Australia, July 2015 – due for release on 3 September 2015
- Retail Trade, Australia, July 2015 – due for release on 3 September 2015
- Housing Finance, Australia, July 2015 – due for release on 9 September 2015
- Labour Force, Australia, August 2015 – due for release on 10 September 2015

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⁷ Australian Bureau of Statistics, [Housing Finance, Australia, June 2015](#), cat no 5609.0, ABS, 2015.

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