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Weekly Economic Indicators:

Queensland and Australia

Week Ending 25/07/14

Market Summary

On Wednesday the Australian Bureau of Statistics released the Consumer Price Index for the June 2014 quarter. It showed inflation reaching 3% through the year to June, which is the upper limit of the Reserve Bank's 2 – 3% inflation target. Inflation in Brisbane grew slightly faster at 0.6% in the quarter than the weighted average of the eight Australian capital cities – which is used to compute Australian CPI, for the quarter. A move towards the higher end of the RBA's inflation target has lowered the chance of any further interest rate cuts in the months ahead. The reaction to this news also caused the Australian dollar to appreciate against the U.S. dollar as it finished the weak stronger on AUD$0.9415/US$.

Another big talking point for the week was the IMF's downward revision of the world growth rate for 2014 from 3.7% announced in April to 3.4%. The move was due to a large negative U.S. growth rate in the first quarter and a number of small downward revisions in both advanced and emerging economies.

Deloitte Access Economics' Business Outlook, June 2014 quarterly release saw Australian GDP figures for 2013-14 remain steady at 2.5%. However, Queensland wasn't quite as lucky, with forecast GSP for 2013-14 revised downward to 3.2% from 3.4% forecasted in the March 2014 quarter, before increasing in 2014-15 to a forecast 3.7%. Gold and iron ore also slipped throughout most of the week, with gold falling in the week to its lowest point in a month.

Market Monitor

	Price (Last Week)
AUD$/US$	↑ $0.9415
All Ord. Share Index	↑ 5,556.14 pts
Cattle Futures (EYCI)	↑338.00 Ac/kg
Sugar (ICE No.11 Futures)	↑ 17.22 USc/lb
Cotton (No. 2 Futures)	↓ 68.43 USc/lb
Iron Ore 62% Fe	↓ 93.60 US$/t
Mogas95[#]	↓122.41 US$/bbl
Gold (week-end London PM Fix)	↓ 1291.91 US$/oz

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

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Economic Indicators Summary: Latest Results[1]

RBA Cash Rate (July 2014)	↔ at 2.50% (Aust)	
Consumer Price Index (June qtr 2014) NEW	Brisbane ↑0.6% at 105.8;	All capitals ↑ 0.5% at 105.9
Unemployment Rate (June 2014)	Qld ↔ at 6.3%;	Aust ↔ at 5.9%
Participation Rate (June 2014)	Qld ↑ at 66.5%;	Aust ↔ at 64.7%
ANZ Job Ads (trend) (June 2014)	↑ 4.3% to a weekly average of 132,711 (Aust)	
Westpac-Melbourne Institute Index of Consumer Sentiment (July 2014)	↑ 1.9% to 94.9 index points (Aust)	
NAB Business Survey (June 2014)		
Business Conditions index:		Aust ↑ 3 point to +2
Business Confidence index:		Aust ↑ 1 points to +8
International Trade (May 2014)	Trade Balance ↓ 261.0% at -$679 million Exports ↓1.4% at $27.81 billion Imports ↑0.4% at $28.49 billion	
International Tourist Visitor Expenditure (annual) (Mar qtr 2014)	Qld ↓ 0.2% at $3.96 billion	Aust ↑3.2% at $19.46 billion
Domestic Tourist Visitor Expenditure (annual) (year ending March 2014)	Qld ↓1.1% at $13.58 billion	Aust ↑4.0% at $52.34 billion
Private New Capital Expenditure (Mar qtr 2014)	Qld ↓ 0.7% at $11.71 billion	Aust ↓ 0.3% at $39.48 billion
Building Approvals (May 2014)	Qld ↓ -3.2%	Aust ↓ -1.7 %
Housing Finance (value) (May 2014)	Qld ↑ 0.4% at $2.99 billion	Aust ↑ 0.2% at $16.80 billion
Retail Trade (May 2014)	Qld ↓ 0.0% at $4.80 billion	Aust ↓ 0.0% at $23.1191 billion
Gross State Product (GSP) (2012/13)/ Gross Domestic Product (GDP) (Mar qtr 2014)[2]	Qld ↓ at 3.6%	Aust ↑ at 0.8%
Deloitte Access Economics GSP/GDP Growth Forecasts (June2014) NEW		
Forecast 2013-14:	Qld ↓ at 3.2%	Aust ↔ at 2.5%
Forecast 2014-15:	Qld ↑ at 3.7%	Aust ↓ at 2.5%

[1] Trend data.
[2] Annual trend data, chain volume measures.

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NEW THIS WEEK

The Consumer Price Index for the June quarter rose 0.6% in Brisbane, outpacing the weighted average of the eight Australian capital cities (0.5%) that is used to compile the CPI. Nevertheless, Brisbane's CPI for the year to June 2014 is behind the Australian weighted average, registering an index of 105.8 points compared with a national average of 105.9. The CPI percentage increase by city was highest in Perth (0.8%), followed by Darwin (0.7%), Brisbane (0.6%), Melbourne (0.6%), Sydney (0.4%), Hobart (0.4%) and Canberra (0.2%).

The June 2014 release of Deloitte Access Economics' Business Outlook growth forecasts saw Australian GDP remain constant at 2.5% in the June 2014 quarter. On the other hand, the forecasted Australian GDP for 2014-15 has been revised down from 2.7% to 2.5% in the June quarter 2014 release.

Queensland's Gross State Product was revised downward to 3.2% in 2013-14, from the 3.4% previously reported in the March 2014 release, while the forecast for 2014-15 has been forecast higher in the June release, at 3.7% (up from 3.4%) for 2014-15. Deloitte credits construction and production activity from gas developments as being positive sources of growth for Queensland. In addition, an improvement in national tourist arrivals, homebuilding and retail trade is expected to benefit Queensland comparatively more than its interstate rivals. Lastly, a slowdown in the pace of state government cutbacks is expected to provide additional comfort in the short term ahead.

Research and Information Service

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