

ANZ economic and financial market forecasts

Australian economic indicators	2007	2008	2009f	2010f
Economic activity (annual % change)				
Private final demand	6.0	3.9	-2.5	-1.8
Household consumption	4.3	2.1	0.4	1.0
Dwelling investment	2.7	2.0	-6.5	9.0
Business investment	13.8	13.2	-9.7	-15.9
Public demand	2.8	5.0	2.0	5.8
Domestic final demand	5.4	4.1	-1.5	-0.1
Inventories (contribution to GDP)	0.6	-0.6	-0.7	0.8
Gross National Expenditure (GNE)	5.9	3.5	-2.2	0.8
Exports	3.2	4.7	-4.9	-1.3
Imports	11.5	10.6	-12.2	1.8
Net Exports (contribution to GDP)	-1.8	-1.4	2.0	-0.6
Gross Domestic Product (GDP)	4.0	2.1	-0.9	0.6
Prices and wages (annual % change)				
Inflation: Headline CPI	2.3	4.4	1.6	2.6
Underlying*	3.1	4.5	3.7	2.7
Wages	4.1	4.2	3.9	3.4
Labour market				
Employment (annual % change)	2.8	2.2	-0.3	-1.0
Unemployment rate (%)	4.4	4.2	6.1	8.1
External sector				
Current account balance: A\$ bn	-68.1	-50.1	-52.2	-77.4
% of GDP	-6.3	-4.2	-4.4	-6.5

*Average of RBA weighted median and trimmed mean statistical measures.

Australian interest rates	Current	Jun 09f	Sep 09f	Dec 09f	Mar 10f	Jun 10f
RBA cash rate	3.00	3.00	2.50	2.00	2.00	2.00
90 day bill	3.11	3.20	2.30	2.30	2.30	2.35
3 year bond	3.80	3.55	3.35	3.15	3.55	3.70
10 year bond	4.88	4.65	4.45	4.25	4.45	4.50
3s10s yield curve	1.08	1.10	1.10	1.10	0.90	0.80
3 year swap	4.13	3.90	3.65	3.45	3.85	4.00
10 year swap	5.34	5.15	4.85	4.60	4.75	4.80
International interest rates						
RBNZ cash rate	2.50	2.50	2.25	2.00	2.00	2.00
NZ 90 day bill	2.88	2.85	2.43	2.35	2.35	2.35
US Fed funds note	0.25	0.25	0.25	0.25	0.50	1.00
US 2 year note	0.86	0.75	0.80	0.85	1.25	1.50
US 10 year note	3.10	3.50	3.55	3.55	3.75	3.90
Japan call rate	0.10	0.10	0.10	0.25	0.50	0.50
ECB refinance rate	1.00	1.00	0.50	0.50	0.75	1.00
UK repo rate	0.50	0.50	0.50	0.50	0.75	1.50

For additional information on interest rates please refer to ANZ's *Interest Rate Strategy Weekly*.

Foreign exchange rates	Current	Jun 09f	Sep 09f	Dec 09f	Mar 10f	Jun 10f
Australia and NZ exchange rates						
A\$/US\$	0.7512	0.72	0.68	0.66	0.65	0.65
NZ\$/US\$	0.5903	0.54	0.51	0.48	0.47	0.47
A\$/¥	71.74	75.60	73.44	72.60	75.40	75.40
A\$/€	0.5543	0.56	0.56	0.55	0.55	0.56
A\$/£	0.4969	0.49	0.46	0.45	0.43	0.42
A\$/NZ\$	1.273	1.33	1.33	1.38	1.40	1.38
A\$/CA\$	0.8832	0.89	0.84	0.83	0.83	0.83
A\$/CHF	0.8341	0.86	0.84	0.86	0.90	0.92
A\$/CNY	5.126	4.92	4.64	4.51	4.43	4.43
A\$ Trade weighted index	61.20	61.23	58.85	57.40	56.89	56.65
International cross rates						
US\$/¥	95.5	105	108	110	116	116
€/US\$	1.355	1.28	1.22	1.20	1.18	1.16
€/¥	129.4	134	132	132	137	135
£/US\$	1.512	1.48	1.48	1.48	1.50	1.53
€/£	0.8964	0.86	0.82	0.81	0.79	0.76
US\$/CA\$	1.176	1.23	1.24	1.25	1.27	1.28
US\$/CHF	1.110	1.19	1.24	1.30	1.38	1.41
US\$ index	82.79	87.8	90.8	92.1	93.8	94.6
Asia exchange rates						
US\$/CNY	6.823	6.83	6.83	6.83	6.82	6.82
US\$/HKD	7.750	7.75	7.75	7.76	7.76	7.77
US\$/IDR	10448	11500	11900	11500	11500	11000
US\$/INR	49.97	52.00	51.00	51.00	50.00	50.00
US\$/KRW	1268.7	1400	1450	1400	1325	1300
US\$/MYR	3.5545	3.70	3.75	3.75	3.70	3.65
US\$/PHP	47.76999	49.50	50.00	49.50	48.80	48.50
US\$/SGD	1.469	1.58	1.60	1.62	1.63	1.61
US\$/THB	34.61	36.50	37.50	37.00	36.50	36.00
US\$/TWD	32.95	32.70	32.00	32.00	31.00	30.00
US\$/VND	17782	18300	18800	18800	19300	19300
Pacific exchange rates						
PGK/US\$	0.362	0.35	0.34	0.35	0.35	0.36
FJD/US\$	0.465	0.43	0.42	0.40	0.39	0.39

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