

FORECASTS

Australian Economic indicators	2008	2009f	2010f	2011f
Economic activity (annual % change)				
Private final demand	4.4	-0.2	1.8	4.2
Household consumption	2.6	1.4	1.5	3.0
Dwelling investment	2.8	-7.0	7.3	8.0
Business investment	13.9	-3.4	0.2	7.0
Public demand	6.2	2.5	6.9	4.3
Domestic final demand	4.8	0.4	2.9	4.3
Inventories (contribution to GDP)	-0.7	-0.4	0.7	-0.1
Gross National Expenditure (GNE)	4.1	0.0	3.6	4.2
Exports	3.8	3.4	4.1	4.6
Imports	11.3	-8.4	8.2	9.5
Net Exports (contribution to GDP)	-1.8	2.8	-1.0	-1.3
Gross Domestic Product (GDP)	2.4	1.1	2.7	3.2
Prices and wages (annual % change)				
Inflation:				
Headline CPI	4.4	1.9	2.3	2.5
Underlying*	4.4	3.8	2.9	2.5
Wages	4.2	3.6	2.9	3.3
Labour market				
Employment (annual % change)	2.2	0.2	1.4	2.2
Unemployment rate (%)	4.3	5.7	6.4	6.2
External sector				
Current account balance:				
% of GDP	-54.5	-54.0	-66.4	-73.9
	-4.6	-4.5	-5.3	-5.5

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

Australian interest rates	Current	Dec 09f	Mar 10f	Jun 10f	Sep 10f	Dec 10f
RBA cash rate	3.50	3.75	4.25	4.25	4.25	4.25
90 day bill	3.94	4.15	4.60	4.50	4.50	4.50
3 year bond	4.83	5.15	5.35	5.25	5.05	5.30
10 year bond	5.41	5.45	5.60	5.55	5.45	5.60
3s10s yield curve	0.58	0.30	0.25	0.30	0.40	0.30
3 year swap	5.41	5.60	5.80	5.70	5.50	5.75
10 year swap	6.04	6.05	6.20	6.10	6.00	6.15

International interest rates

RBNZ cash rate	2.50	2.50	2.50	2.50	3.00	4.00
NZ 90 day bill	2.78	2.80	2.80	2.80	3.63	4.47
US Fed funds note	0.25	0.25	0.25	0.50	1.00	1.75
US 2 year note	0.74	1.20	1.50	1.75	2.00	2.35
US 10 year note	3.35	4.20	4.40	4.55	4.50	4.55
Japan call rate	0.10	0.10	0.10	0.10	0.25	0.25
ECB refinance rate	1.00	1.00	1.00	1.00	1.00	1.25
UK repo rate	0.50	0.50	0.50	0.50	0.50	1.00

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

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Foreign exchange rates	Current	Dec 09f	Mar 10f	Jun 10f	Sep 10f	Dec 10f
Australian exchange rates						
A\$/US\$	0.9240	0.90	0.94	0.96	0.92	0.90
NZ\$/US\$	0.7376	0.70	0.72	0.73	0.71	0.70
A\$/¥	82.32	84.6	85.5	84.5	82.8	82.8
A\$/€	0.6197	0.63	0.64	0.65	0.64	0.64
A\$/£	0.5535	0.56	0.57	0.58	0.56	0.55
A\$/NZ\$	1.2526	1.29	1.31	1.32	1.30	1.29
A\$/CA\$	0.9780	0.97	0.98	0.98	0.96	0.95
A\$/CHF	0.9365	0.95	0.97	0.97	0.95	0.96
A\$/CNY	6.3090	6.15	6.42	6.56	6.20	5.99
A\$ Trade weighted index	70.90	71.2	73.5	74.7	72.1	70.1
International cross rates						
US\$/¥	89.09	94.0	91.0	88.0	90.0	92.0
€/US\$	1.4911	1.44	1.46	1.48	1.43	1.41
€/¥	132.84	135	133	130	129	130
£/US\$	1.6694	1.62	1.64	1.66	1.64	1.65
€/£	0.8932	0.89	0.89	0.89	0.87	0.85
US\$/CA\$	1.0584	1.08	1.04	1.02	1.04	1.05
US\$/CHF	1.0135	1.05	1.03	1.01	1.03	1.07
US\$ index	75.23	78.0	76.4	75.0	77.1	78.1
Asia exchange rates						
US\$/CNY	6.8275	6.83	6.83	6.83	6.74	6.66
US\$/HKD	7.7501	7.75	7.75	7.76	7.77	7.77
US\$/IDR	9488	9100	9300	9500	9300	9000
US\$/INR	46.49	47.0	46.5	46.0	46.0	45.0
US\$/KRW	1159	1125	1100	1150	1175	1050
US\$/MYR	3.3825	3.41	3.34	3.37	3.40	3.40
US\$/PHP	46.900	47.0	46.0	46.5	46.0	45.0
US\$/SGD	1.3893	1.40	1.39	1.40	1.41	1.41
US\$/THB	33.185	33.00	33.00	33.00	32.50	32.50
US\$/TWD	32.191	31.90	31.50	31.90	31.50	30.50
US\$/VND	17877	18000	18200	18350	18500	19300
Pacific exchange rates						
PGK/US\$	0.3840	0.374	0.392	0.381	0.395	0.386
FJD/US\$	0.5317	0.520	0.534	0.542	0.527	0.519

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