

FORECASTS

AUSTRALIAN ECONOMIC INDICATORS	2010	2011F	2012F	2013F
Economic activity (annual % change)				
Private final demand	2.2	4.3	5.4	6.8
Household consumption	2.8	2.7	1.7	2.8
Dwelling investment	4.2	1.6	-2.0	7.6
Business investment	0.0	12.0	20.0	17.6
Public demand	9.1	1.9	2.9	2.0
Domestic final demand	3.8	3.7	4.8	5.6
Inventories (contribution to GDP)	0.4	0.3	-0.4	0.0
Gross National Expenditure (GNE)	4.2	4.0	4.3	5.6
Exports	5.7	-0.2	12.8	10.4
Imports	13.7	11.7	14.2	12.2
Net Exports (contribution to GDP)	-1.6	-2.8	-0.7	-0.9
Gross Domestic Product (GDP)	2.7	1.3	3.1	4.0
Prices and wages (annual % change)				
Inflation: Headline CPI*	2.8	3.4	2.5	3.5
Underlying*^	2.8	2.5	2.8	3.4
Wages:	3.3	3.8	3.7	4.1
Labour market				
Employment (annual % change)	2.7	1.7	0.8	2.2
Unemployment rate (annual average %)	5.2	5.1	5.5	5.3
External sector				
Terms of trade (annual % change)	16.2	16.3	5.1	-3.5
Current account balance: A\$bn	-36.0	-23.7	-7.8	-25.7
% of GDP	-2.7	-1.6	-0.5	-1.6

* Includes carbon tax. ^ Average of RBA trimmed mean and weighted statistical measures

AUSTRALIAN INTEREST RATES	CURRENT	DEC 11F	MAR 12F	JUN 12F	SEP 12F	DEC 12F
RBA cash rate	4.75	4.50	4.25	4.25	4.25	4.25
90 day bill	4.70	4.70	4.60	4.55	4.50	4.50
3 year bond	3.83	3.40	3.20	3.30	3.50	3.60
10 year bond	4.47	4.10	4.00	4.00	4.10	4.20
3s10s yield curve	0.64	0.70	0.80	0.70	0.60	0.60
3 year swap	4.34	3.90	3.70	3.80	3.95	4.05
10 year swap	5.11	4.70	4.60	4.60	4.65	4.75

INTERNATIONAL INTEREST RATES	CURRENT	DEC 11F	MAR 12F	JUN 12F	SEP 12F	DEC 12F
RBNZ cash rate	2.50	2.50	2.75	3.00	3.25	3.50
NZ 90 day bill	2.76	2.80	3.17	3.25	3.67	3.75
US Fed funds note	0.25	0.25	0.25	0.25	0.25	0.25
US 2 year note	0.26	0.20	0.20	0.20	0.20	0.40
US 10 year note	2.19	1.90	1.90	1.90	2.00	2.20
Japan call rate	0.10	0.10	0.10	0.10	0.10	0.10
ECB refinance rate	1.50	1.25	1.00	1.00	1.00	1.00
UK repo rate	0.50	0.50	0.50	0.50	0.50	0.50



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FOREIGN EXCHANGE RATES	CURRENT	DEC 11F	MAR 12F	JUN 12F	SEP 12F	DEC 12F
Australian exchange rates						
A\$/US\$	1.02	0.97	1.00	1.05	1.10	1.10
NZ\$/US\$	0.79	0.77	0.80	0.83	0.86	0.89
A\$/¥	78.6	72.8	75.0	75.6	79.2	79.2
A\$/€	0.74	0.72	0.73	0.75	0.77	0.76
A\$/£	0.65	0.63	0.64	0.66	0.68	0.67
A\$/NZ\$	1.29	1.26	1.25	1.27	1.28	1.24
A\$/C\$	1.04	0.93	0.98	1.04	1.11	1.13
A\$/CHF	0.91	0.89	0.94	1.01	1.08	1.10
A\$/CNY	6.53	6.09	6.19	6.42	6.63	6.55
A\$ Trade weighted index	74.9	72.2	73.7	76.1	79.0	78.2
International cross rates						
US\$/¥	76.9	75.0	75.0	72.0	72.0	72.0
€/US\$	1.38	1.35	1.37	1.40	1.42	1.45
€/¥	106	101	103	101	102	104
£/US\$	1.58	1.55	1.57	1.59	1.61	1.63
€/£	0.87	0.87	0.87	0.88	0.88	0.89
US\$/C\$	1.02	0.96	0.98	0.99	1.01	1.03
US\$/CHF	0.89	0.92	0.94	0.96	0.98	1.00
US\$ index	76.9	78.6	80.4	80.1	80.5	80.8
Asia exchange rates						
US\$/CNY	6.38	6.28	6.19	6.11	6.03	5.95
US\$/HKD	7.78	7.80	7.80	7.80	7.80	7.80
US\$/IDR	8878	8925	8747	8572	8400	8232
US\$/INR	49.8	49.4	48.4	47.4	46.5	45.6
US\$/KRW	1145	1195	1171	1148	1125	1100
US\$/MYR	3.13	3.19	3.16	3.13	3.10	3.06
US\$/PHP	43.3	43.9	43.2	42.6	42.0	41.3
US\$/SGD	1.27	1.31	1.30	1.28	1.27	1.26
US\$/THB	30.99	31.20	31.00	30.90	30.70	30.60
US\$/TWD	30.24	30.60	30.40	30.30	30.10	30.00
US\$/VND	20943	21000	21400	21400	21400	21400
Pacific exchange rates						
PGK/US\$	0.454	0.378	0.372	0.366	0.366	0.366
FJD/US\$	0.558	0.538	0.530	0.522	0.522	0.522

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