

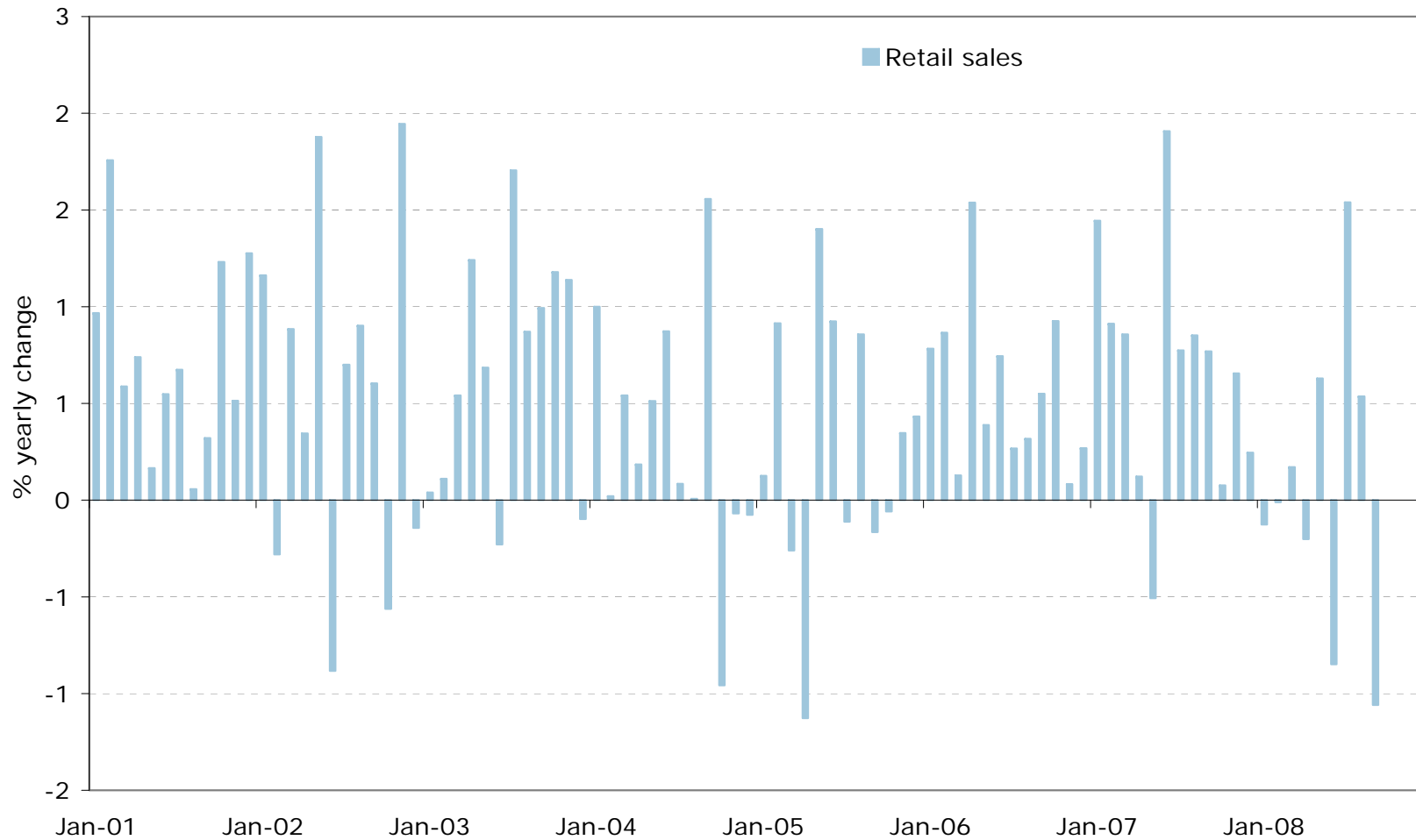
Open partnerships  
Open possibilities

# Latest Australian Economic Indicators

November 2008

ANZ Economics and Market Research

## Retail sales fell 1.1% in September



Source: ANZ, ABS and Bloomberg

Relationship Banking • Corporate Finance • Markets • Working Capital



## Heightened uncertainty has hurt discretionary spending

	Sep-08	Aug-08	Sep-08
% change (seas adj)	MoM	MoM	YoY
Food	-0.1	2.2	5.8
Department stores	1.8	-3.5	6.6
Clothing & soft goods	-4.6	3.8	5.2
Household goods	-2.7	-2.6	1.2
Other retailing	3.0	-6.3	12.6
Cafes, res'nts & takeaway food	-6.8	9.8	3.7
<b>Total</b>	<b>-1.1</b>	<b>0.5</b>	<b>5.7</b>
<b>Total ex food</b>	<b>-1.8</b>	<b>-0.6</b>	<b>5.7</b>

Source: ANZ and ABS

## Sales were weakest in Qld and NSW

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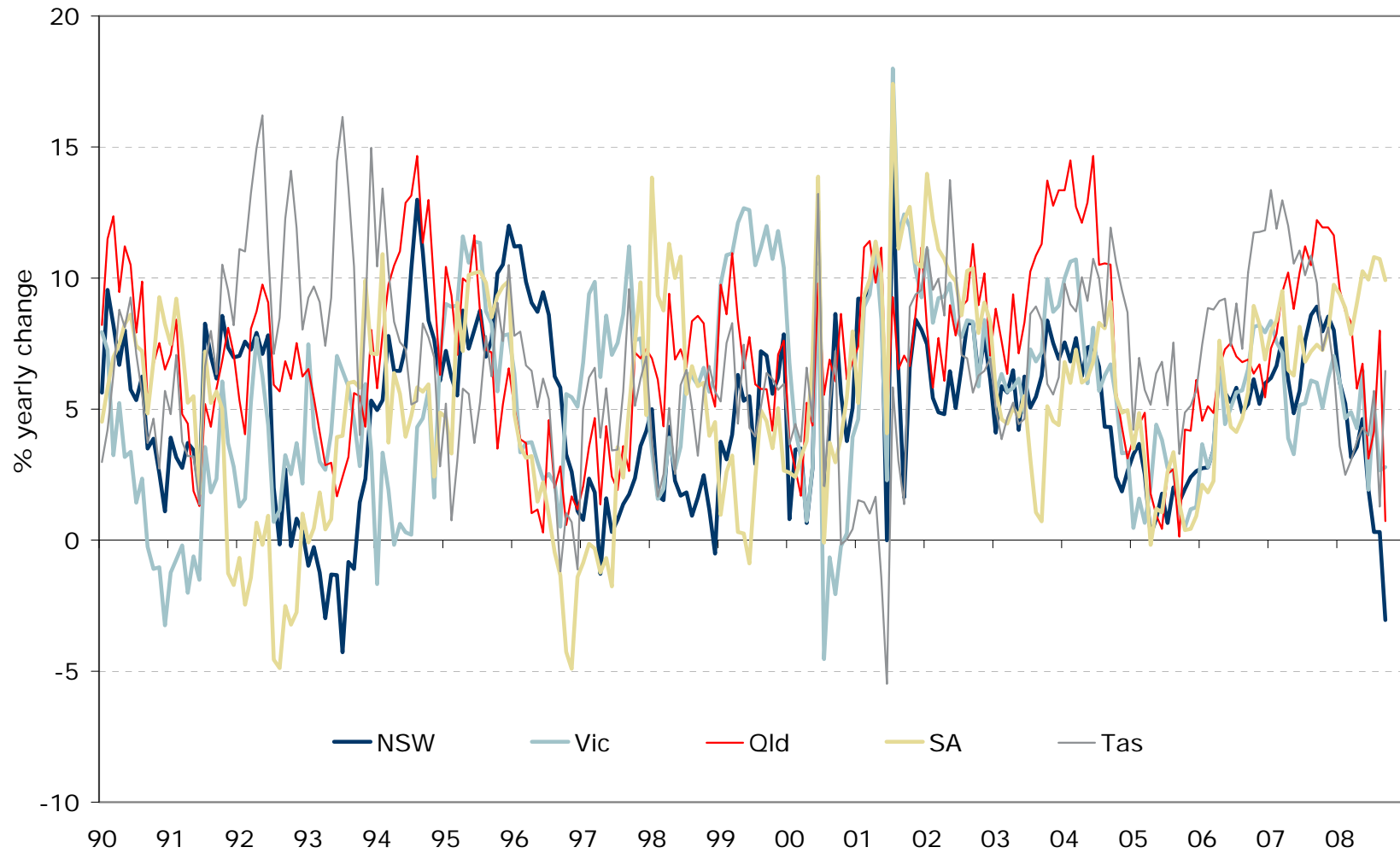
	Sep-08	Aug-08	Sep-08
% change (seas adj)	MoM	MoM	YoY
NSW	-2.5	0.8	-3.0
Vic	0.5	-1.1	2.8
Qld	-5.3	3.8	0.7
SA	0.0	0.9	9.9
WA	5.6	-3.2	6.5
Tas	-5.3	3.3	3.0
NT	6.7	-5.1	14.9
ACT	7.3	2.9	5.9
<b>Total</b>	<b>-1.1</b>	<b>0.5</b>	<b>1.6</b>

Source: ANZ, ABS and Bloomberg

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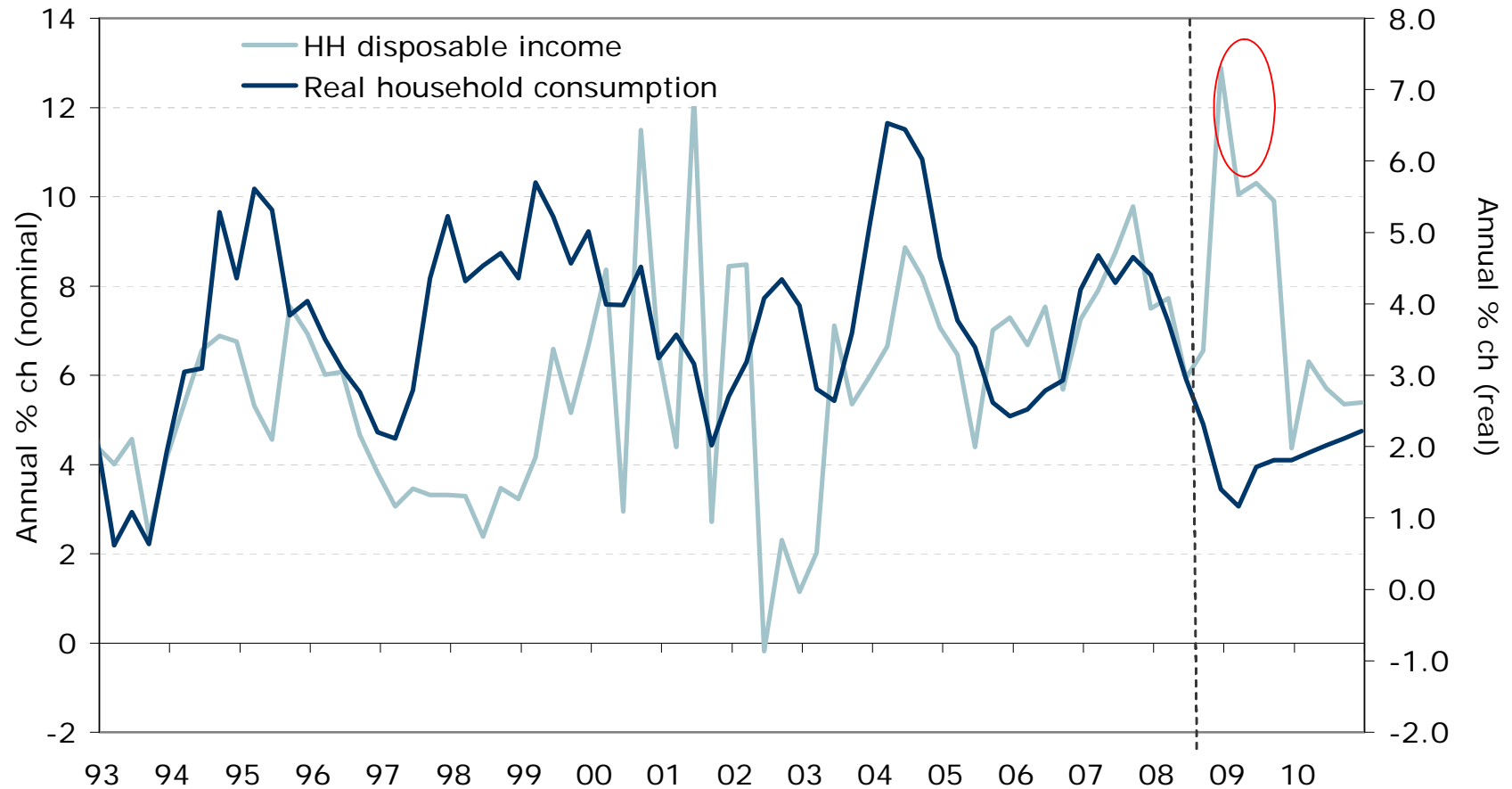


## Retail sales growth in NSW is the weakest since 1993



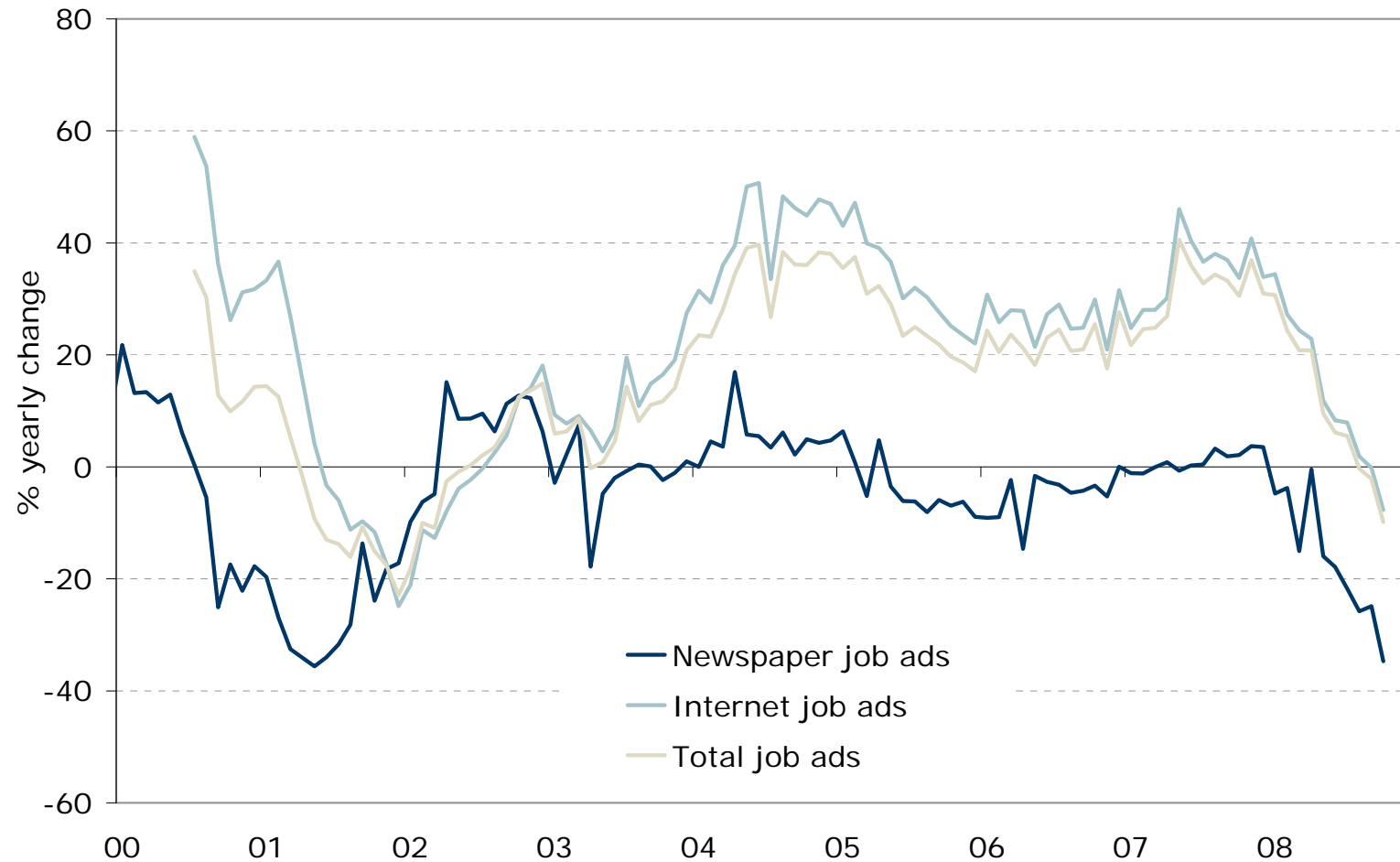
Source: ANZ, ABS and Bloomberg

## Fiscal stimulus should keep retail spending (slightly) positive in the December quarter



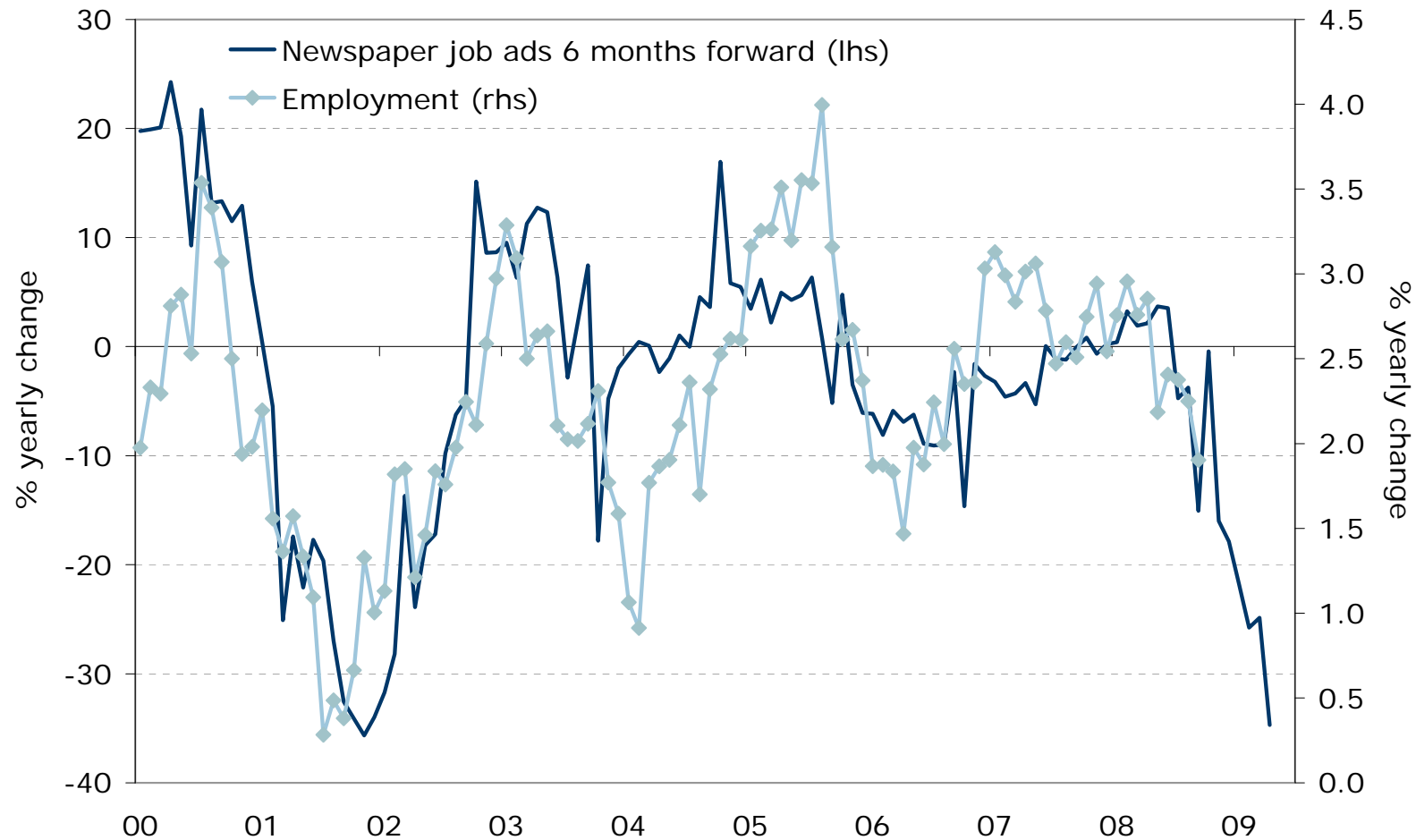
Source: ABS and ANZ

The global financial crisis has clearly had an impact on the economy - ANZ job advertisements fell sharply in October



Source: ANZ, ABS and Bloomberg

## The fall in ANZ newspaper job ads suggests a sharp slowdown in employment is in prospect

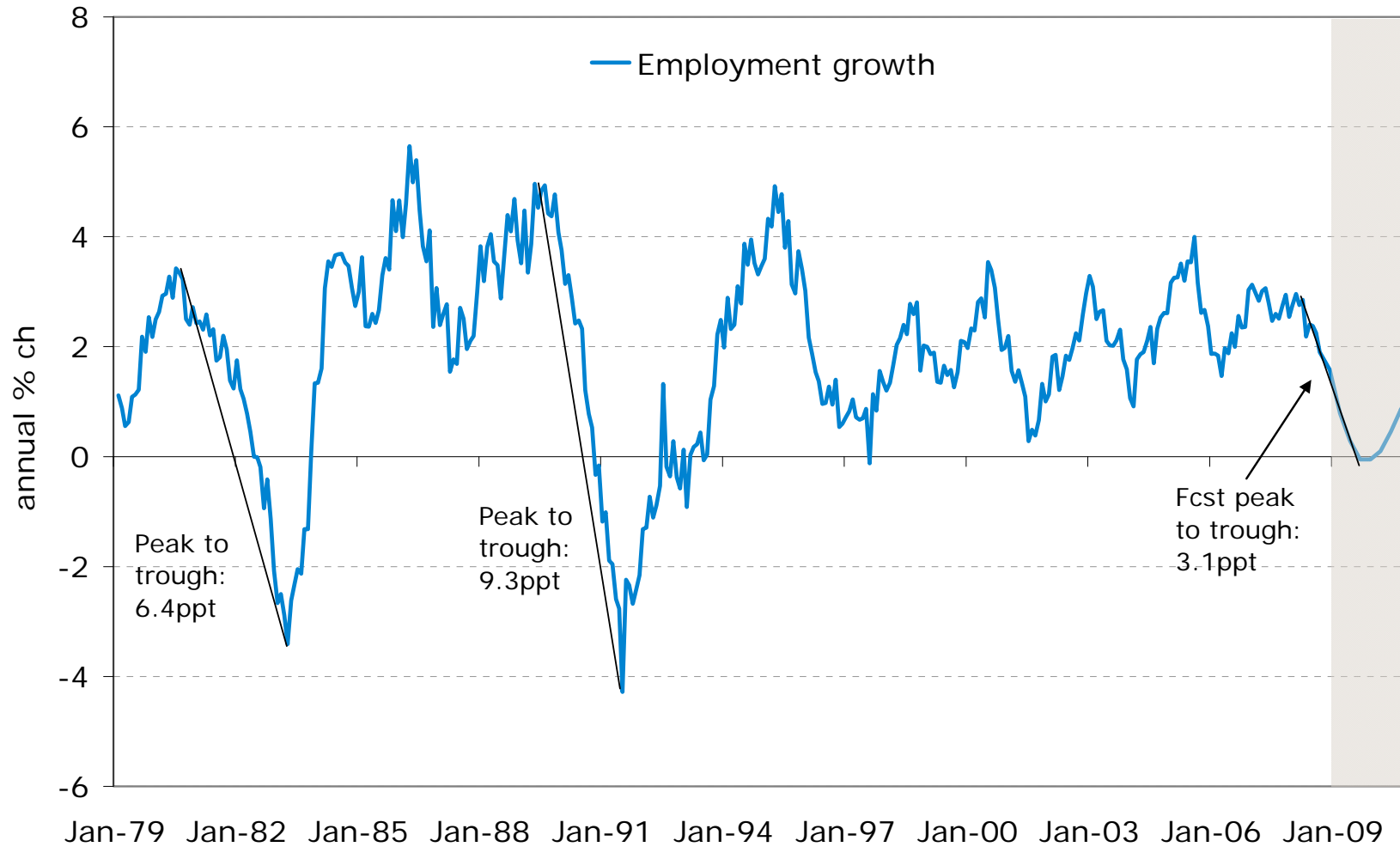


Source: ANZ, ABS and Bloomberg

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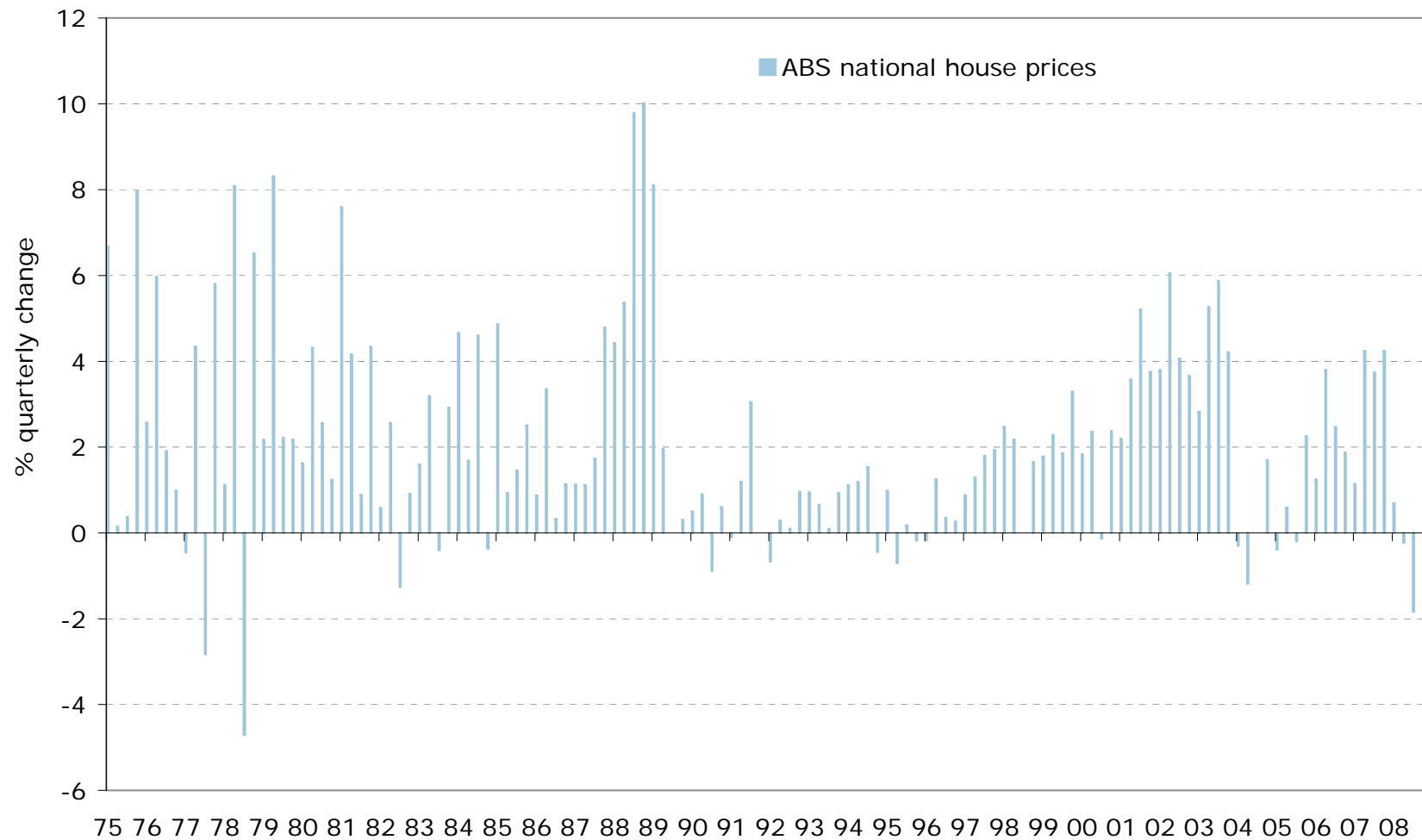


## Suggesting downside risk to employment forecasts?



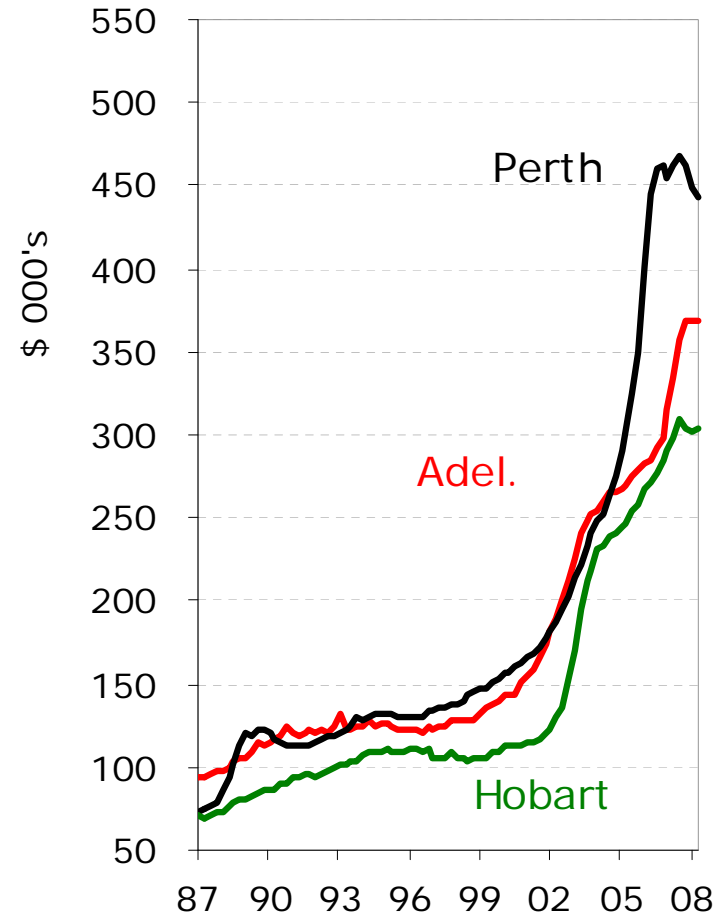
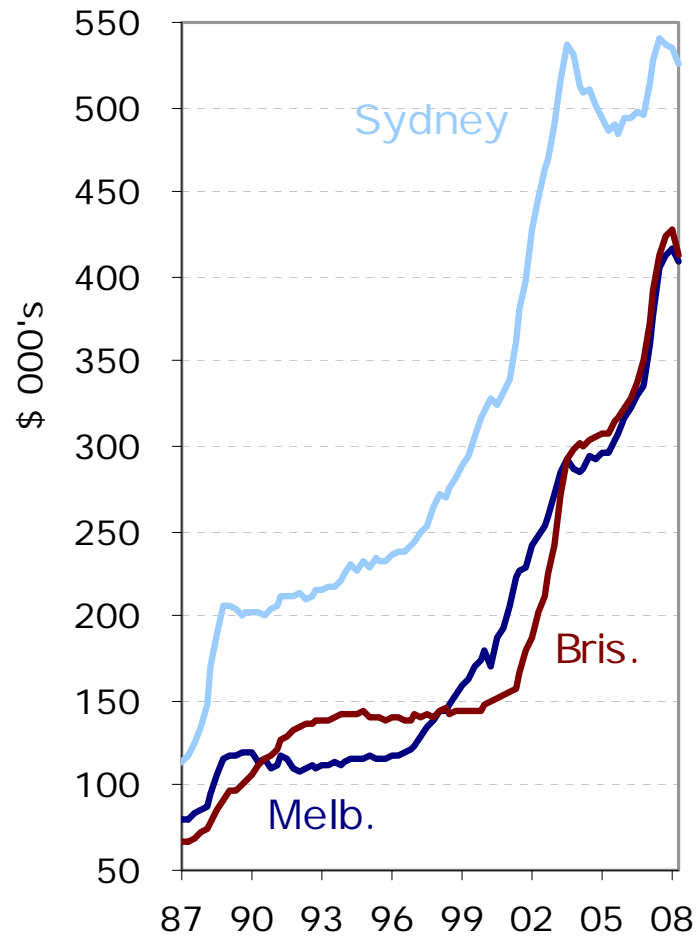
Source: ABS and ANZ

## Australian house prices fell by 1.8% in Q3 - the biggest quarterly fall since 1978



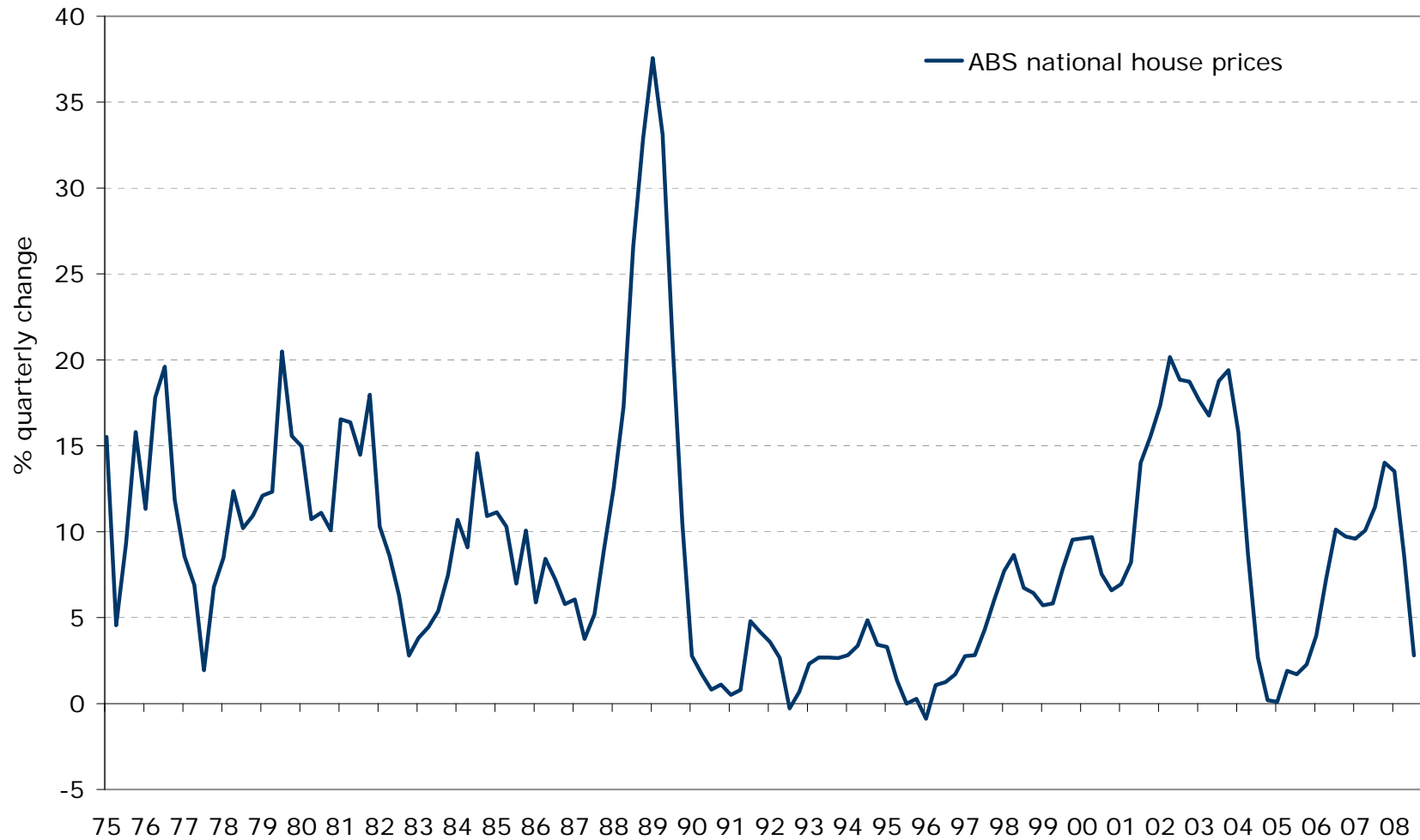
Source: ANZ and ABS

## Australia's four biggest capital cities all experienced falls in house prices



Source: ANZ and ABS

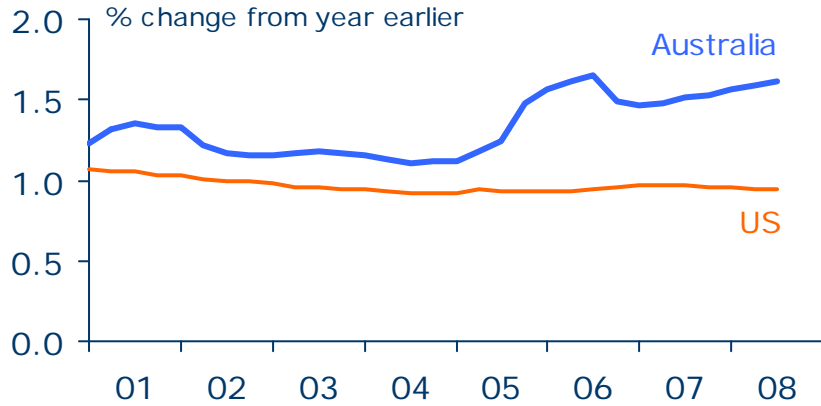
## House prices are still 2.8% higher than a year ago



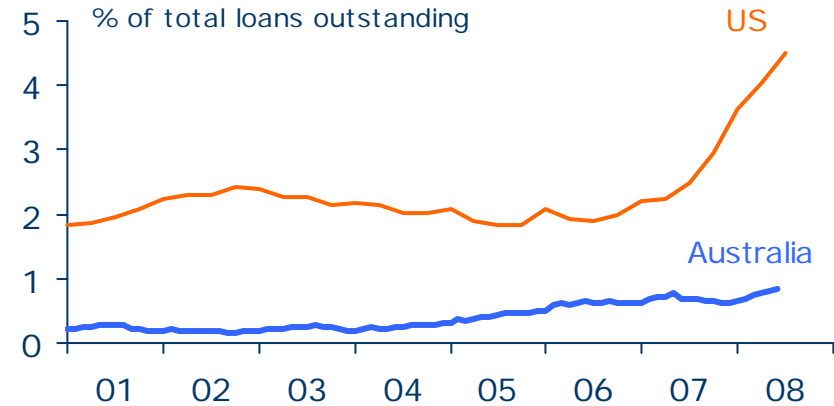
Source: ANZ and ABS

# Stronger fundamentals suggests Australia's housing market is unlikely to become as dire as America's

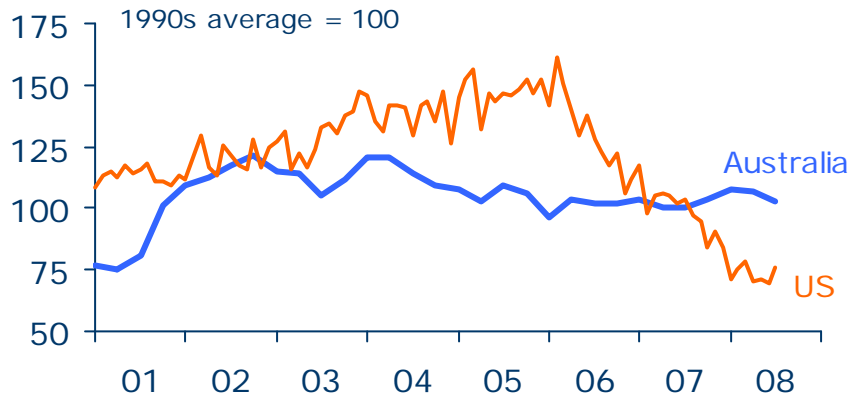
**Population growth**



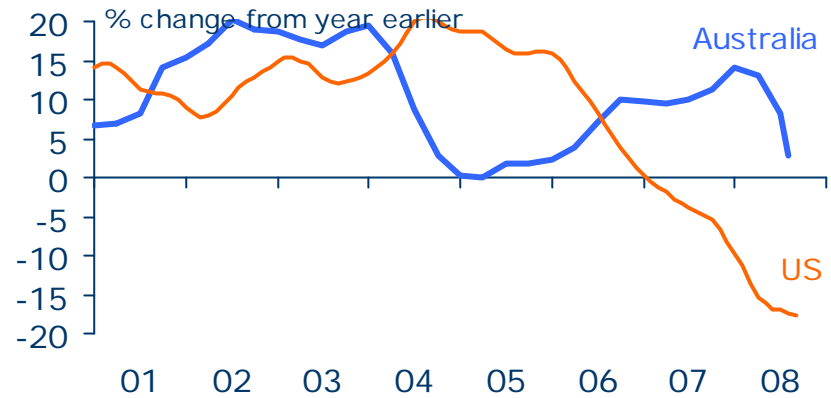
**Mortgage delinquency rates\***



**Housing commencements**



**House prices**



\* 90 days or more past due. For Australia, securitized mortgages only (including on-balance sheet mortgages would result in a lower figure). Sources: ABS; US Commerce Department; S&P; Mortgage Bankers' Association of America.  
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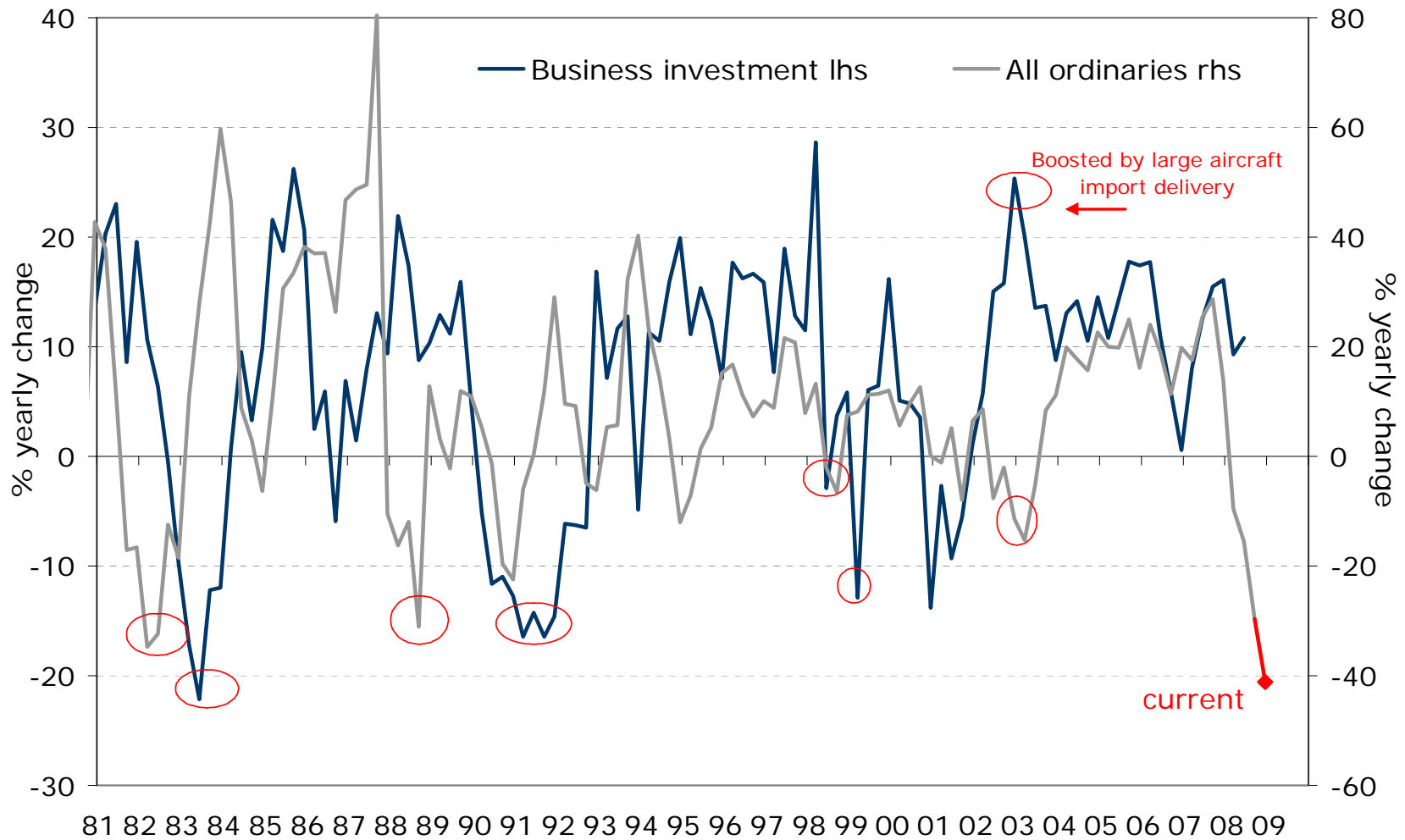


## The outlook for Australian export prices continues to deteriorate



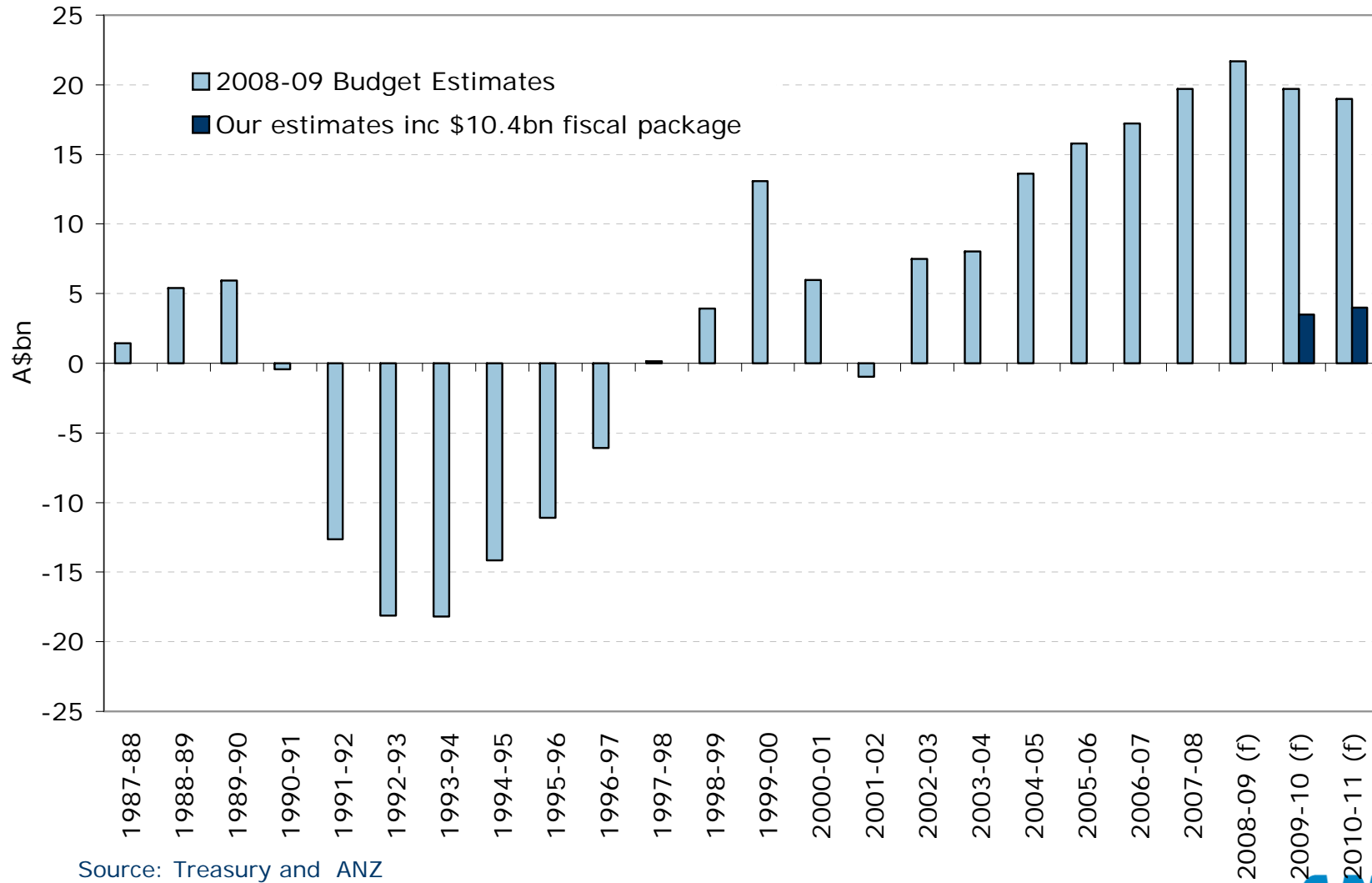
Source: ANZ and ABS

## Adding to the downside risks to the outlook for business investment



Source: ANZ, ABS and Bloomberg

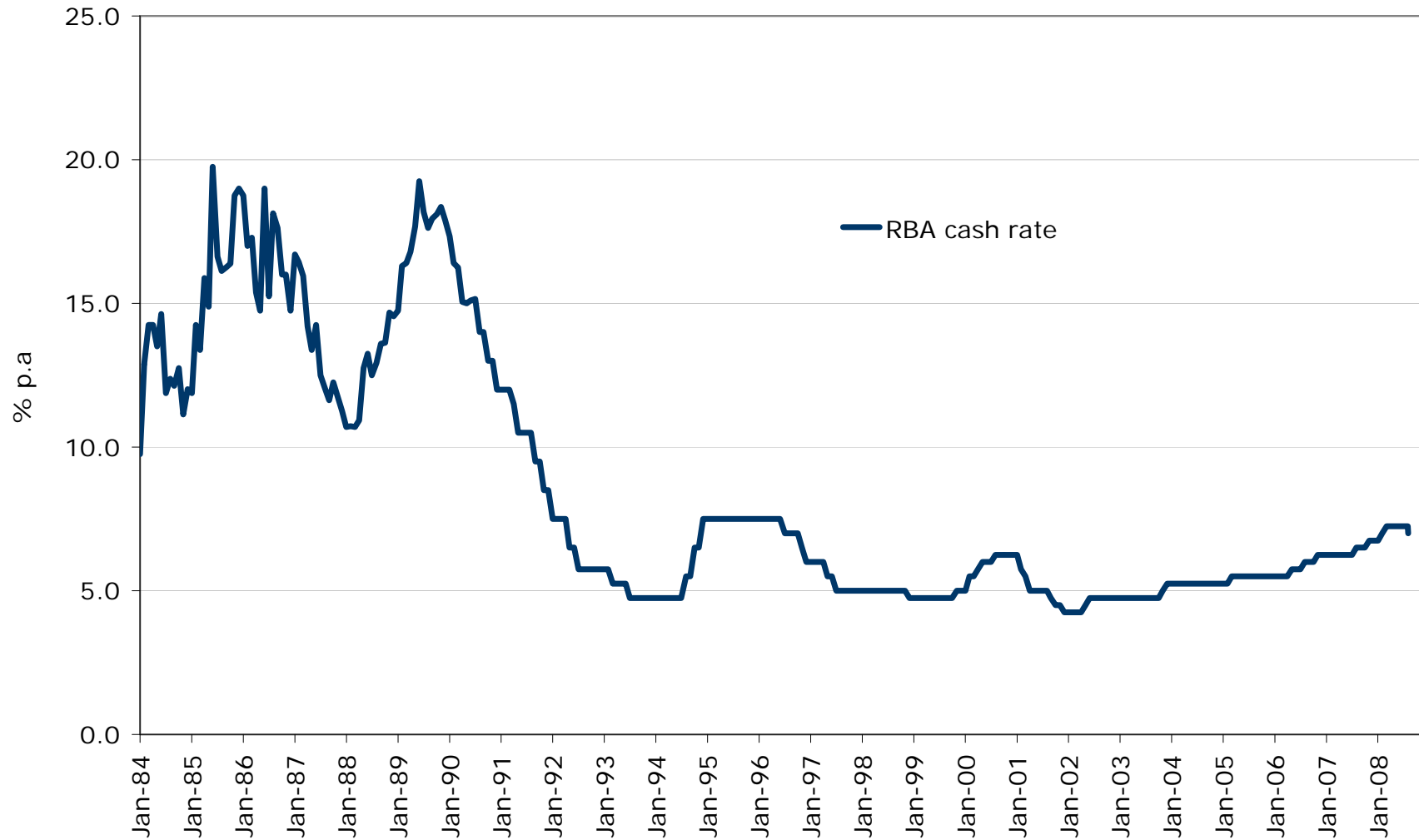
# The Government is quickly using its ammunition



Source: Treasury and ANZ



But the RBA has further room to move; we expect a 50bps cut tomorrow



Source: ANZ and Bloomberg

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