

AUSTRALIAN ECONOMICS

AUSTRALIAN ECONOMICS WEEKLY

30 SEPTEMBER 2011

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WHICH COUNTRIES ARE DRIVING AUSTRALIAN GROWTH THESE DAYS?

- ***In Focus* this week is the changing nature of the relationships between Chinese, US and Australian economic growth**, as referred to by RBA Deputy Governor Ric Battellino in New York recently. Perhaps somewhat counter-intuitively, we find that each unit of US economic growth remains twice as important as one percentage point of Chinese growth for Australia. It has mainly therefore been China's much faster *rates* of growth that have been important to Australian growth. We also examine European growth trends and their relationship to Australia, which directly are relatively weak, but indirectly through the US economy are more significant. This suggests downside risk to Australian growth from current events in Europe, but while Chinese urbanisation and infrastructure spending continues apace, Australia and the globe will continue to benefit from this important new source of demand. The longer-term nature of the investment upswing currently beginning in Australia will likely also serve to reduce the impact of any cyclical slowing in China in the near term.
- **Also *In Focus* this week is the Final Budget Outcome for 2010-11 which showed a slightly smaller than expected deficit of \$47.7bn** (-3.4% of GDP). While updated forecasts were not provided, the Treasurer has repeated the Government's commitment to delivering an underlying cash surplus in 2012-13 while acknowledging this task has become harder since international economic conditions have deteriorated. Even if this return to surplus is delayed, Australia's strong government balance sheet, together with our improving current account deficit, means we are unlikely to see our credit rating threatened. Next week's Tax Forum will bring a lot of discussion but is not likely to prompt the Government to adopt major new tax policies in the near term.
- **Further confirmation of the strength of Australia's investment pipeline was received** this week with Chevron sanctioning its \$29bn natural gas project in the Pilbara. The support that the resources sector is providing to the Australian labour market was also highlighted, with BHP Billiton forecasting that the sector will directly add approximately 80K new operational jobs and 40K temporary new construction jobs over the next five years.

THE WEEK AHEAD

- In **Australia**, markets are currently pricing in a 50% chance of a rate cut at the RBA Board meeting on Tuesday. However the unanimous consensus of economists is for no policy change (see Preview p12). Other data include trade, building approvals and retail sales.
- In the **US**, the two key releases are the ISM manufacturing and non-farm payrolls data (Mkt: +50K). There is likely to be some payback in payrolls after the Verizon strike shaved roughly 45k from the August outcome. The market is expecting 89k jobs were created from the private sector, with the public sector again shedding jobs. Canadian employment data is also due.
- In **Europe**, the ECB and BoE decisions will be key, as will news about whether Greece will receive the next tranche of funding (as expected) following the Troika's (EU, ECB and IMF) latest visit. While looser monetary policy in the Euro zone could arguably be a key circuit-breaker for markets, 56 of 76 economists in a Reuters survey are forecasting the ECB to stay on hold. Meanwhile, the BoE is likely to leave interest rates unchanged and cite the growing downside risks to growth. Manufacturing data will also be released for Germany, the UK and Euro zone, as will industrial production data for Germany and the UK.
- In **Japan**, no change is expected at the BoJ meeting, although the rhetoric around an over-valued JPY is expected to continue. Meanwhile, the reconstruction efforts are continuing to add to growth in the short-term.
- In **New Zealand** the Fonterra global dairy auction is the major event of the week.

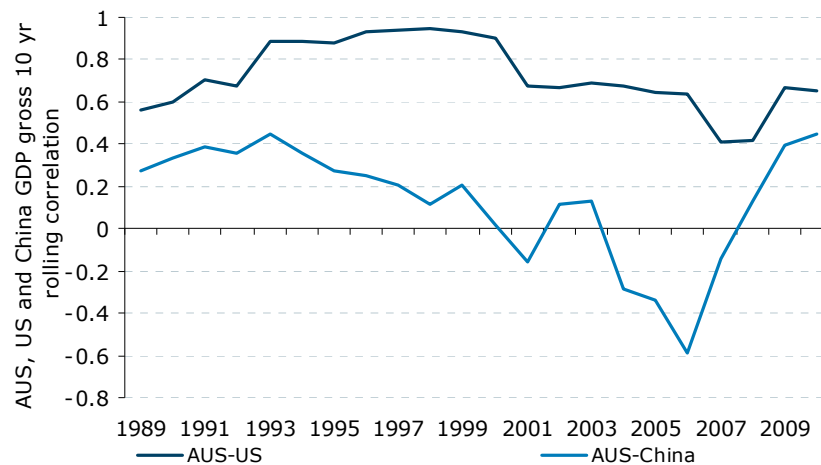
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WHICH COUNTRIES ARE DRIVING AUSTRALIAN GROWTH THESE DAYS?

In a recent speech in New York, the RBA Deputy Governor noted some important changes in the roles of the US and Chinese economies in driving Australian growth. We asked our consultant econometrician, Dr Tony Webber, to quantitatively examine these results in a little more detail. Here are some preliminary results, which add some further colour to the Deputy Governor's observations.

Firstly, it is true that, when we look at the gross correlation between Australian GDP growth and US and Chinese growth, the correlation with Chinese growth has indeed increased, while the correlation with US growth has decreased from the very high correlations evidenced during the 1980s and 1990s. Note, however, that the correlation with US growth remains higher than that with China.

FIGURE 1: 10 YEAR ROLLING GROSS CORRELATION BETWEEN AUSTRALIAN AND US GDP GROWTH



Source: Bloomberg, ABS, ANZ

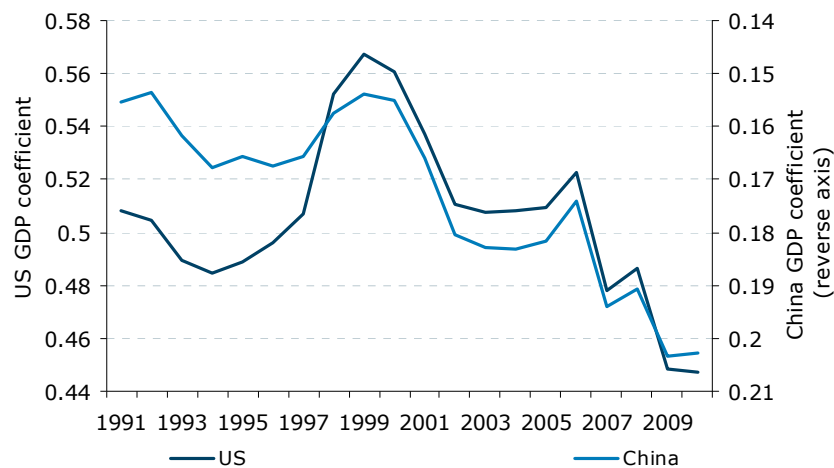
However, to determine whether US growth really has become less important relative to China in driving Australian growth, we must consider the partial correlations of each country to Australian growth. This is achieved using multiple regression analysis, which identifies the following relationship over the period 1980 to 2010 (GDP in each case referring to GDP growth):

$$\text{AUS GDP}_t = 0.447 \times \text{US GDP}_t + 0.203 \times \text{China GDP}_{t-1}$$

The message from this multiple regression model is that, between 1980 and 2010, growth in the US economy is on average more than twice as important as growth in the Chinese economy in explaining growth in Australian GDP. The other important conclusion is that changes in Chinese growth impact changes in Australian growth with a lag of around one year.

To check that this relationship has not changed significantly in recent years, the regression has been estimated over multiple periods. As Figure 2 shows, the partial correlation of US GDP growth has indeed declined in importance over the past decade and China has become more important. However, if one considers the change in the size of the coefficients, these changes are not material.

FIGURE 2: PARTIAL CORRELATIONS OF US AND CHINESE GDP GROWTH AND AUSTRALIAN GDP GROWTH

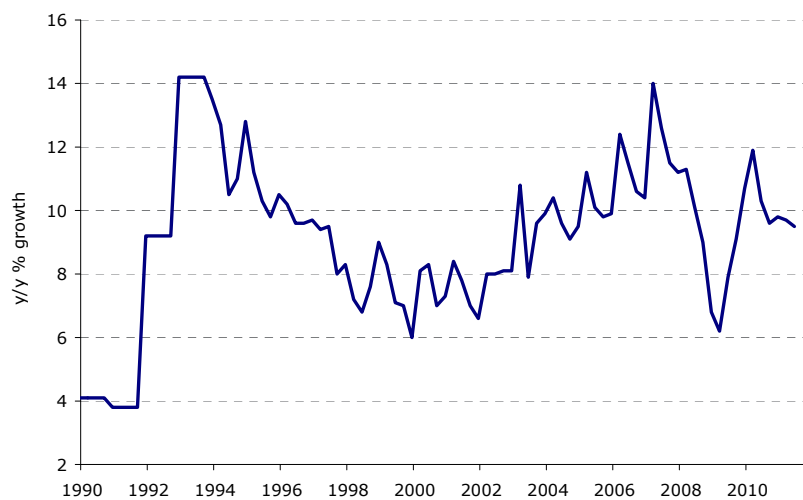


Source: ANZ

This suggests that changes in growth in the US economy remain relatively more important to Australian growth than changes in growth in China, and that this conclusion has not materially altered over the past two decades.

This seemingly counter-intuitive statistical result, however, does not contradict the Deputy Governor’s conclusions. Instead it is important to recognise that much of the increased importance of the Chinese economy for Australia relates to the much faster *rates* of growth China has recorded in recent years, rather than the impact of any one percentage point of Chinese growth per se having become significantly more important to Australian growth (see Figure 3).

FIGURE 3: CHINESE GDP GROWTH



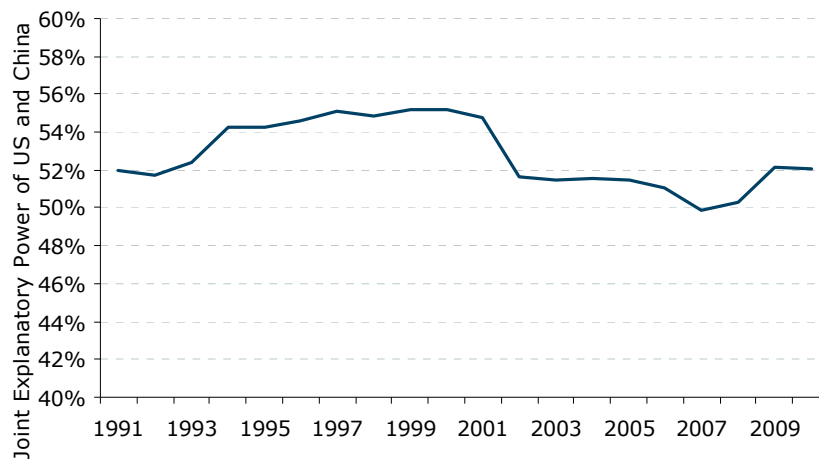
Source: Bloomberg

THE JOINT EXPLANATORY POWER OF THE US AND CHINA

The other important observation to make from Figure 2 is that there is a strong yet inverse gross correlation between the importance of the US and the growing importance of China to Australia's growth. In fact, the two variables in Figure 2 share a -71% gross correlation. This suggests, unsurprisingly, that part of the changing relationship likely reflects a transfer of production from the US to China, most likely as manufacturing has continued to shift in search of lower wages costs.

Figure 4 presents estimates of the correlation of changes in Australian GDP that have been explained by US and Chinese GDP growth considered jointly since 1991. This shows that US and Chinese GDP growth have together explained between 50% and 55% of changes in Australian growth over a very long horizon.

FIGURE 4: JOINT EXPLANATORY POWER OF US AND CHINA GDP



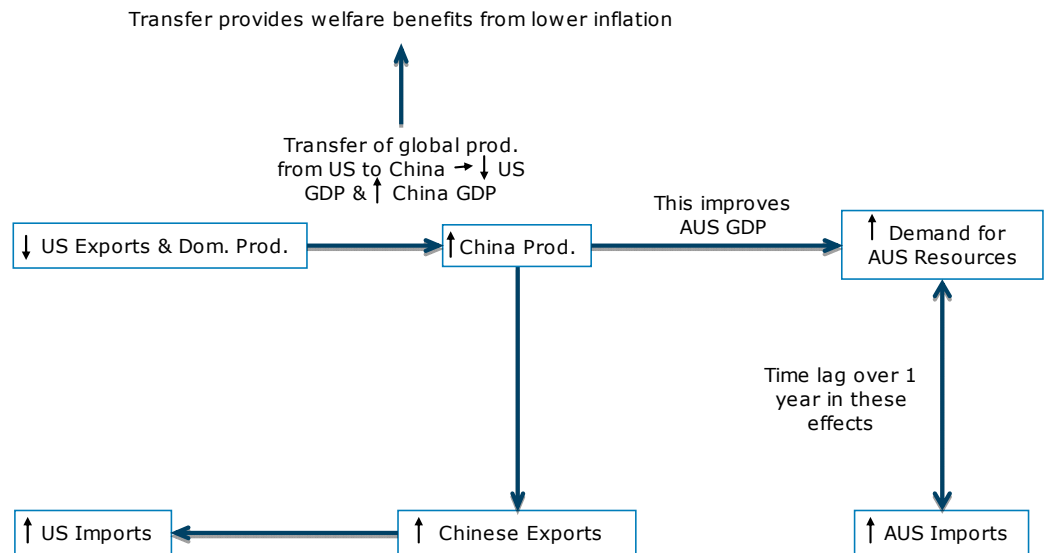
Source: ANZ

Again, part of this finding likely reflects the migration of US (and other) manufacturing to China over the past decade. The changing global production environment and the implications this has had for Australia, the US and China is summarised in the schematic below (Figure 5 below).

Figure 5 starts with the position that there has been a transfer of production from the US to China in pursuit of lower labour costs. Lower production in the US by definition lowers US GDP. At the same time, an increase in production in China raises Chinese GDP. While the reduction in US industrial production yields a negative income effect, the US enjoys a partially offsetting favourable price effect or profitability benefit, as either Americans pay cheaper prices for products that are now produced in China and/or firms benefit from lower production costs.

The growth in Chinese production results in an increase in Chinese demand for energy and other raw materials. The proximity of Australia to China, combined with the fact that Australia has the commodities that China needs, has meant that the GDP transfer is not only from the US to China but also, indirectly, from the US (and its suppliers) to Australia.

FIGURE 5: GLOBAL PRODUCTION AND CHINA



LAGS IN THE IMPACT OF CHINA ON AUSTRALIA

There are also complicated lags in the relationship between Chinese and Australian GDP growth that are not apparent in the Australian and US GDP relationship. As indicated in the Australian GDP equation above, US GDP contemporaneously affects Australian GDP but Chinese GDP affects Australian GDP with a lag of one year.

The broad reason behind this difference is likely to be that Australia’s connectivity with the US economy pertains to events associated with the end of the supply chain and financial market linkages, whereas Australia’s connectivity with China pertains to events associated with the start of the supply chain.

Quantitative modelling also suggests that Chinese GDP is likely to have a negative contemporaneous impact on Australian GDP, although this impact is significantly weaker than the positive lagged impact (and is not statistically significant in the regression analysis). This negative effect is likely to reflect some Australian production also being transferred to China.

IMPLICATIONS OF EUROPEAN CONTAGION

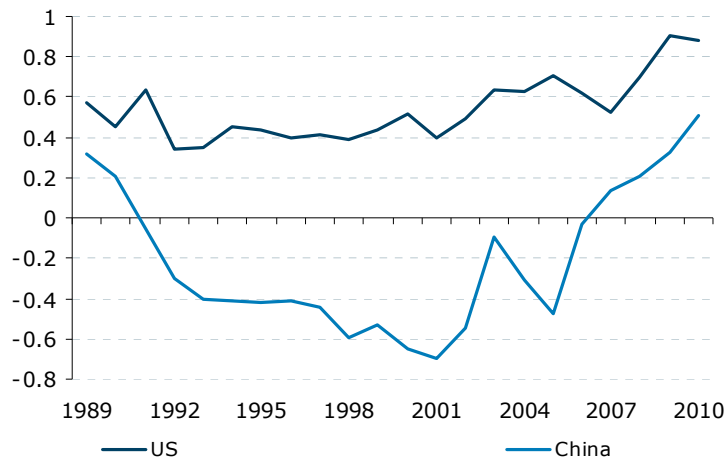
Given current market developments in Europe, the importance of European growth to Australia, the US and China was also investigated. The modelling indicates that European GDP growth, considered in isolation, is positively correlated with Australian GDP growth but that this influence is around half that of changes in Chinese GDP. However, European GDP growth was found to be statistically insignificant, which is why it isn’t represented in the equations above.

Given the joint importance of the US and China for Australia, Australia is also at indirect risk from Europe to the extent that weaker European GDP growth causes weaker US and Chinese GDP growth.

The gross correlation between European and US GDP was reasonably stable at around 40% in the 1990s, but in early 2000 that correlation started to increase rapidly, gravitating toward the 90% mark in 2010. [The reasons for this increase have not been considered in this article but deserve further investigation].

The correlation between European and Chinese GDP growth fell sharply in the 1990s from 30% and was significantly negative for a period, but has since recovered strongly to 50%, likely reflecting the increasing importance of Europe in Chinese exports and the increasing importance of China in European exports (China is now ranked number two behind the US in terms of European export destinations).

FIGURE 6: 10 YEAR GROSS CORRELATIONS BETWEEN EUROPEAN GDP GROWTH AND THE GDP GROWTH OF CHINA AND THE US



Source: ANZ

In the context of the potential transmission of emerging European economic weakness to the US and China, these correlations are irrelevant if the direction of causation runs from the US and China to Europe rather than the other way around. Granger tests of the direction of causality suggest that causality runs in the directions indicated in Figure 7.

FIGURE 7: DIRECTION OF GDP CAUSALITY

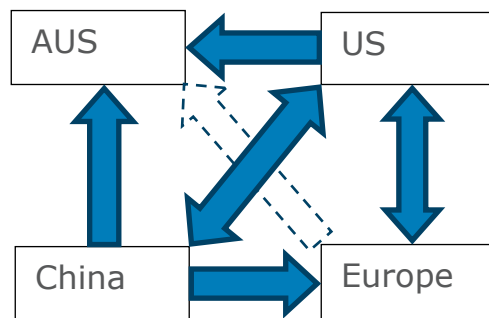


Figure 7 indicates that European GDP causes and is caused by US GDP, but causation only runs from China to Europe (not in the opposite direction).

On the basis of this evidence, any economic weakness in Europe will be a drag on Australian growth both directly, but also indirectly, via the impact that Europe has on the US. This indirect linkage is stronger than the direct linkage and appears to be even stronger than the direct linkage from China to Australia.

To see this, consider a 1 percentage point reduction in European GDP growth. This is estimated to have a 0.12 percentage point direct reduction in Australian GDP growth. It is also estimated to reduce US GDP by around 0.8 of a percentage point. But a 0.8 percentage point reduction in US GDP causes a 0.39 percentage point reduction in AUS GDP. This is greater than the impact of a 1 percentage point reduction in Chinese GDP on Australian GDP, which is estimated to be 0.2 of a percentage point.

This suggests that the markets and the RBA are correct to be worrying about the potential implications for global and Australian growth of a likely slowing in European growth as a result of weaker business and consumer confidence and fiscal consolidation.

However, Figure 7 also provides an important reminder that Chinese growth operates in both directions with the US and also benefits the European and Australian economies (an outcome focused on recently in ANZ's Greater China Economics research). Both pieces of research suggest a backdrop of Chinese demand strength continuing to support the global economy, while the strong rate of Chinese urbanisation and infrastructure spending continues. For Australia, the size and longer-term nature of many of these projects also should act as an important counter-balance to any cyclical slowing in China driven out of events in Europe.

The analysis also allows us to ask, what increase in Chinese GDP growth would be required to offset the direct and indirect impact of Europe on Australia and what is the likelihood of this growth occurring? Each 1 percentage point reduction in European GDP is estimated to cause a 0.51 percentage point reduction in Australian GDP growth all other things being equal. To offset this impact would require additional Chinese growth of around 2.5 percentage points again all other things being equal.

CONCLUSIONS

The Deputy Governor's view that the Australia and US economies have diverged over the past decade is only unambiguously true in a gross sense not in a partial sense. Changes in the rate of growth of the US economy remain more than twice as important to Australian economic growth than changes in the rate of growth in the economy of China. China's contribution to explaining Australian economic growth has been significant over the past decade largely because its economy has grown at such a rapid pace.

Although the relationship between Australian, US and Chinese GDP growth has been unstable when considered on a bi-variate basis, the relationship is very stable when Australian GDP is considered against the joint explanatory power of the US and China.

Australian growth will likely be impacted by events in Europe. The strongest adverse impact will stem from the adverse effect that Europe has on the US and this in turn on Australia. So long as urbanisation and infrastructure spending continues in China, however, Australia and other global economies will continue to receive an important source of demand from China.

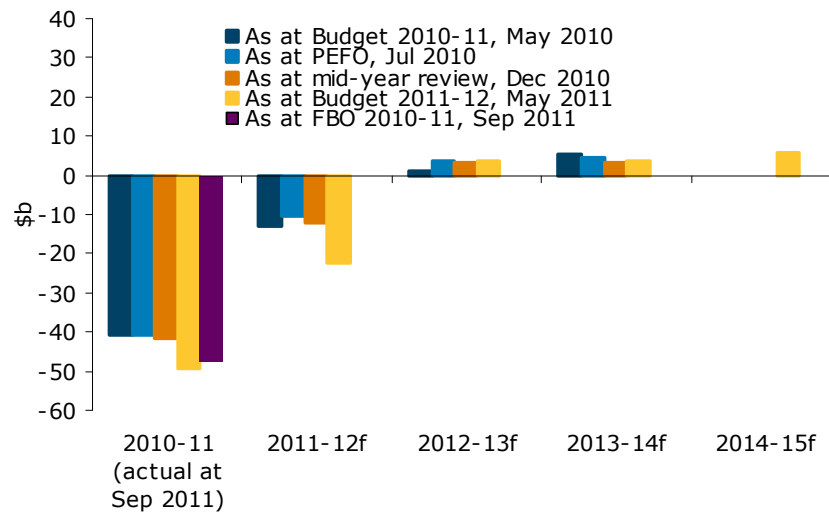
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FINAL BUDGET OUTCOME 2010-11 marginally better than expected

The federal Government released the Final Budget Outcome for 2010-11, showing a slightly smaller than expected deficit of \$47.7bn (3.4% of GDP) which was \$1.7bn better than the \$49.4bn deficit expected in May. As is normally the case, the Final Budget Outcome did not revise the Budget forecasts, although the Treasurer said in a press conference that the Government remained determined to deliver an underlying cash surplus in 2012-13 while acknowledging this task had become harder since international economic conditions had deteriorated. The Government has forecast a deficit of \$22.6bn for the current financial year and a small surplus of \$3.5bn (or 0.2% of GDP) for 2012-13.

FIGURE 8: UNDERLYING CASH BALANCE



Source: Federal Government

The Government's commitment to a surplus is both a political promise and buys future policy flexibility. Moving to a surplus position next year will give the Government the ability to deliver "emergence stimulus" if needed. The Treasurer said "we will deal with the cards when they are dealt" and said there is a long way to run in the European sovereign debt crisis and there had not been a dramatic change in the domestic outlook at this stage. We would hope (and indeed expect) that the government would be prepared to sacrifice this surplus target should the risks from offshore intensify such that they significantly threaten the local outlook. Indeed, while a clear budget repair strategy is very important, in the short term such a strategy should not occur at the expense of economic stability. Although Australia appears far from such an outcome, we would note that the substantial tightening of fiscal policy in 2011-12, as implied by the government's budget forecasts, may not be the appropriate policy should local conditions deteriorate. Australia's strong government balance sheet, together with our improving current account deficit, means we are unlikely to see our credit rating threatened should the return to surplus be delayed by another year.

In 2010-11, receipts were \$1.7bn lower than expected in the May Budget and expenses were \$3.6bn lower. Future Fund earnings were \$0.3bn higher.

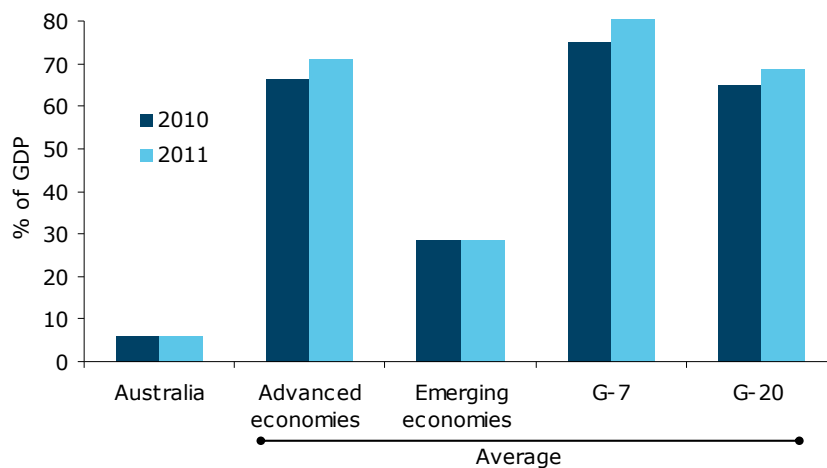
Although there were signs of stress in the corporate world with company tax receipts coming in lower than anticipated, individuals' tax receipts were stronger due to better than expected capital gains outcomes. Also, receipts from the GST were \$304m above the estimate in the 2011-12 Budget and will result in additional payments being made to the states during the current financial year, supporting the argument that the household sector is in relatively good shape.

The lower than expected cash payments were in part due to lower than forecast payments both to state governments and individuals following recent natural disasters. Health payments were also lower across a variety of programs, as were Pharmaceutical Benefits Scheme payments and grant programs administered by the Department of Education, Employment and Workplace Relations. The rising Australian dollar lowered the cost of some Department of Defence capital projects and water reform programs were less costly than expected, likely reflecting recent rainfall.

Many of the underspends reflected changed timing or delays to projects, which will subsequently be made in 2011-12, so these decreases in cash payments have been partially offset by a provision in the contingency reserve.

At the end of 2010-11, Australian Government general government sector net debt was \$84.6bn (6.1 % of GDP), which was \$2.2bn higher than estimated at the time of the 2011-12 Budget. Net interest payments were \$4.6bn or 0.3% of GDP. Both remain low by international standards and are forecast to decline slightly in coming years in line with projected surpluses.

FIGURE 9: INTERNATIONAL GENERAL GOVERNMENT NET DEBT COMPARISONS



Source: IMF

The Government's appetite for embarking on further tax reform is likely to be small given the tight fiscal situation, the challenges of selling the carbon pricing scheme and the lack of credit given to it for recent tax reforms (as seen in the polls). Indeed, it is useful to recall that next week's Tax Forum is being held not as a Government initiative but as part of the Government's deal with independent Mr Rob Oakeshott to form Government. The likelihood of some meaningful reforms from this forum therefore appears minimal. A pity, given the importance of a fair and efficient tax system in facilitating productivity growth. Now probably isn't quite the right time for such an agenda however. A more stable external environment would present such an opportunity.

The Tax Forum will be held in Canberra on 4–5 October. Participants are invited from business, community organisations, unions, governments and academia. The forum will focus on personal tax, transfer payments, business tax, state taxes, environmental and social taxes and tax system governance. While the Government has ruled out changes to the GST, and the Minerals Resource Rent Tax is unlikely to be discussed given the legislation is still being finalised, interest groups are still expected to raise these. States' reliance on inefficient stamp duties is also likely to get significant attention. On the back of the Tax Forum, the Government will also hold a Future Jobs Forum on 6 October. Details are still sketchy, but the general thrust of the discussion will be on jobs growth in an economy that is adapting to the resources

boom, and how the labour market will adapt to technological change, clean energy policies and demographic change longer term.

This week the Government also commissioned a White Paper from former Secretary of the Treasury, Dr Ken Henry, on the reforms necessary for Australia to make the most of "the Asian Century". These are themes picked up in the first ANZ insight report *Earth, Fire, Wind and Water: Economic Opportunities and the Australian Commodities Cycle*. The Henry project will be informed by public consultation and is expected to be released in the middle of 2012.

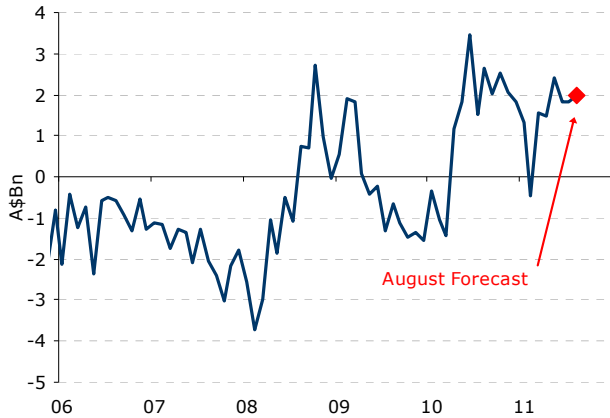
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DATA WRAP

- **RP Data-Riskmark** data for August show that national dwelling prices fell by 0.4% in seasonally adjusted terms in August. Prices have now declined for eight consecutive months and are 3.2% lower than a year ago. The top 20% of capital city suburbs continue to experience the sharpest falls, however recent data also indicates a softening at the middle and lower end of the price scale.
- Total **private sector credit** growth was subdued at 0.2% m/m in August, slightly weaker than the 0.3% m/m growth in July. Business credit was flat (0.0% m/m), personal credit declined (-0.9% m/m) and housing credit growth slowed slightly to 0.4% m/m.
- The **final 2010-11 budget outcome** for Australia came in marginally better latest estimate. The underlying cash balance improved by A\$1.7Bn to -A\$47.7Bn in 2010-11 (see page 8 above).
- **HIA new private home sales** rose 1.1% m/m in August. This rise was entirely in ex-unit sales (+1.5% m/m) as opposed to the volatile unit sales series (-2.2% m/m). Sales rose in Victoria (3.0% m/m) and Queensland (+9.7% m/m), but fell in the other major states.
- The **ABS job vacancies series** rose by 3.3% in seasonally adjusted terms in the three months to August. Vacancies experienced the largest gains in Queensland (+7.2% q/q) and Western Australian (+17.1% q/q).

DATA PREVIEW

TRADE BALANCE



4 OCT: TRADE BALANCE (AUG)

ANZ: +A\$2.0Bn
Market: +A\$1.95Bn
Last: +A\$1.83Bn

A slight widening in the trade surplus is forecast in August with strong export growth (+4½% m/m) expected to have outpaced import growth (+4% m/m). The expected rise in exports is again driven by commodities. Coal export volumes continue to recover, albeit with monthly volatility which actually saw a fall in coking coal exports in July. Ports data point to a rebound in iron ore exports, while rural exports are likely to benefit from improved weather conditions through H2 2011. Meanwhile, manufacturing, services and other exports are likely to have been soft, as the A\$ remained at a relatively elevated level in August.

Imports are also likely to have grown strongly in August. Preliminary ABS data show a rebound in fuel and consumption imports in August. Capital goods imports likely fell in August after strong rises in previous months. **(AM)**

4 OCT: BUILDING APPROVALS (AUG)

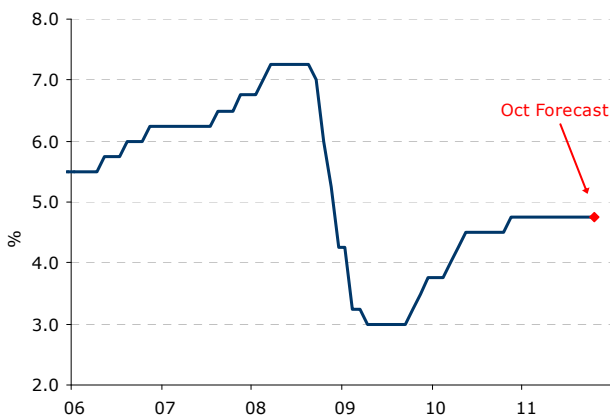
ANZ: +0.0% m/m, -15.9% y/y
Market: +0.6% m/m
Last: +1.0% m/m, -15.0% y/y

Building approvals are expected to have remained unchanged in August, reflecting the uncertain short-term economic outlook, a soft bias in housing market activity as well as moderate weakness in house prices. Diverging performance across states and territories should effectively 'cancel out' any growth at a national level in August. Nonetheless, we do not expect the weakness to be as broad-based as in previous months with the increase in global financial market volatility driving market pricing for a higher likelihood of rate cuts. **(DC)**

BUILDING APPROVALS



RBA CASH RATE



4 OCT: RBA CASH RATE (OCT)

ANZ: 4.75%
Market: 4.75%
Last: 4.75%

The RBA's recent public statements, including a very upbeat speech by Deputy Governor Battellino, suggests the central bank is still some way from considering an easing in local monetary policy. Whilst the global environment has taken a clear turn for the worse, with the local data flow has been limited since the last meeting, the board is highly likely to judge that, as per last meeting, there has simply not been enough information on which to judge how global events are impacting local spending. Moreover, China is yet to soften beyond expectations, Australian bulk commodity prices have been barely touched (yet) by the rout in other markets, and Australia's medium-term investment pipeline just keeps getting stronger with the Chevron announcement this week adding another AUD 29bn to the pipeline. *(cont. over page)*

DATA PREVIEW

That said, the significant downwards revisions to underlying CPI in the last month do suggest the pace of inflation is lower than previously thought. Hence while we expect the RBA to stay on hold in October, we look for signs that the central bank has revised down its inflation forecasts and that its view of the downside risks from global growth are rising. Both of these will be taken as a sign that the RBA is now more open to an easing of policy at some stage. **(KD)**

5 OCT: RETAIL TRADE (AUG)

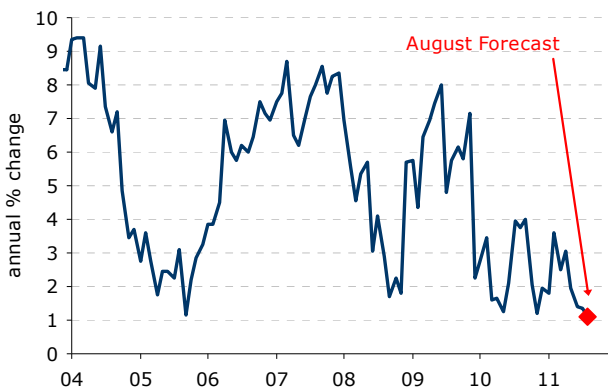
ANZ: -0.1% m/m, +1.1% y/y

Market: +

Last: +0.5% m/m, +1.4% y/y

We expect a soft August for retail trade after an above trend rise in July. There are many conflicting indicators for retail sales but we believe a soft trend is likely to continue for some time. This is due to continued household caution as well as price deflation with earlier rises in the A\$ feeding through into many retail prices.

However, the retail sales survey is unlikely to give an accurate indication of household consumption while these trends remain, partly because the spending on services which has been more solid. Indeed, household consumption (national accounts measure) has been much stronger than the retail sales survey suggests, with much less price deflation. As a result, the market implications from retail trade data are currently limited. **(AM)**

RETAIL TRADE

DATA & EVENT CALENDAR

WEEK STARTING 3 OCTOBER

DATE	COUNTRY	DATA/EVENT	PERIOD	MARKET	ANZ	LAST	GMT	AEST
1-Oct	CH	PMI Manufacturing	SEP	51.1	51	50.9	01:00	12:00
01-07 OCT	JN	Official Reserve Assets	SEP	--	--	\$1218.5B	--	--
2-Oct	UK	Hometrack Housing Survey m/m	SEP	--	--	-0.1%	23:01	10:01
		Hometrack Housing Survey y/y	SEP	--	--	-3.7%	23:01	10:01
		Lloyds Business Barometer	SEP	--	--	-3	23:01	10:01
03-07 OCT	UK	Halifax House Price 3Mths/Year	SEP	--	--	-2.6%	--	--
		Halifax House Prices sa m/m	SEP	--	--	-1.2%	--	--
Monday	NZ	NZIER Business Opinion Survey	3Q	--	--	27	21:00	08:00
3-Oct		ANZ Commodity Price	SEP	--	--	-1.2%	00:00	11:00
	AU	AiG Performance of Mfg Index	SEP	--	--	43.3	22:30	09:30
		TD Securities Inflation m/m	SEP	--	--	-0.1%	23:30	10:30
		TD Securities Inflation y/y	SEP	--	--	2.9%	23:30	10:30
		Labour Day Holiday (NSW, ACT, SA)						
	JN	Loans & Discounts Corp y/y	AUG	--	--	-1.6%	23:50	10:50
		Tankan Large All Indust Capex	3Q	4.3%	--	4.2%	23:50	10:50
		Tankan Lge Manufacturers Index	3Q	2	--	-9	23:50	10:50
		Tankan Lge Mfg Outlook	3Q	3	--	2	23:50	10:50
		Tankan Non-Manufacturing	3Q	2	--	-5	23:50	10:50
		Tankan Non-Mfg Outlook	3Q	2	--	-2	23:50	10:50
		Vehicle Sales y/y	SEP	--	--	-25.5%	05:00	16:00
	CH	China Non-manufacturing PMI	SEP	--	--	57.6	01:00	12:00
		National Day Holiday						
	EU	PMI Manufacturing	SEP F	48.4	--	48.4	08:00	19:00
		ECB Calls for Bids in 7-Day Main Refinancing Tender					13:30	00:30
		ECB's Nowotny Speaks at OeNB Conference						
							08:00	19:00
	GE	PMI Manufacturing	SEP F	50	--	50	07:55	18:55
		Day of Unity Holiday						
	UK	Bank of England Publishes Record of Interim FPC Meeting						
							08:30	19:30
		PMI Manufacturing	SEP	48.8	--	49	08:30	19:30
	US	Fed's Fisher (voter) Speaks to CNBC						
							11:00	22:00
		Construction Spending m/m	AUG	-0.2%	--	-1.3%	14:00	01:00
		ISM Manufacturing	SEP	50.5	--	50.6	14:00	01:00
		ISM Prices Paid	SEP	54	--	55.5	14:00	01:00
		Domestic Vehicle Sales	SEP	9.60M	--	9.52M	21:00	08:00
		Total Vehicle Sales	SEP	12.30M	--	12.10M	21:00	08:00
		Fed's Lacker (non-voter) Speaks in Madison, Wisconsin						
							22:00	09:00
	--	BIS's Caruana Speaks at OeNB Conference						
							07:30	18:30
Tuesday	AU	Building Approvals m/m	AUG	0.6%	0.0%	1.0%	00:30	11:30
4-Oct		Building Approvals y/y	AUG	-15.1%	-15.9%	-15.0%	00:30	11:30
		Trade Balance	AUG	1950M	2000M	1826M	00:30	11:30
		RBA CASH TARGET						
			Oct-04	4.75%	4.75%	4.75%	03:30	14:30
		RBA Commodity Index SDR y/y	SEP	--	--	25.2%	05:30	16:30
		RBA Commodity Price Index	SEP	--	--	113.3	05:30	16:30
	JN	Monetary Base y/y	SEP	--	--	15.9%	23:50	10:50
		Labor Cash Earnings y/y	AUG	--	--	-0.2%	01:30	12:30
	CH	National Day Holiday						
	EU	Euro-Zone PPI m/m	AUG	-0.3%	--	0.5%	09:00	20:00
		Euro-Zone PPI y/y	AUG	5.7%	--	6.1%	09:00	20:00
		ECB Announces Allotment in 7-Day Main Refinancing Tender						
							09:15	20:15
	UK	PMI Construction	SEP	51.2	--	52.6	08:30	19:30
		BRC Shop Price Index y/y	SEP	--	--	2.7%	23:01	10:01
	US	Fed's Raskin (voter) Speaks on Foreclosures						
							13:00	00:00
		Congressman Ron Paul Holds Hearing on Auditing The Fed						
							14:00	01:00
		Factory Orders	AUG	0.2%	--	2.4%	14:00	01:00
		Fed Chairman Bernanke (voter) to Testify Before JEC						
							14:00	01:00

DATA & EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	PERIOD	MARKET	ANZ	LAST	GMT	AEST
Wednesday 5-Oct	AU	AiG Performance of Service Index	SEP	--	--	52.1	22:30	09:30
		Retail Sales sa m/m	AUG	-0.1%	--	0.5%	00:30	11:30
		AOFM Auctions A\$700 of Jan-2018 bonds						
	CH	National Day Holiday						
	EU	ECB Calls for Bids in 7-Day Dollar Tender					07:15	18:15
		PMI Composite	SEP F	49.2	--	49.2	08:00	19:00
		PMI Services	SEP F	49.1	--	49.1	08:00	19:00
		ECB Announces Allotment in 7-Day Dollar Tender					09:00	20:00
		Euro-Zone Retail Sales m/m	AUG	-0.3%	--	0.3%	09:00	20:00
		Euro-Zone Retail Sales y/y	AUG	-0.7%	--	-0.2%	09:00	20:00
	GE	PMI Services	SEP F	50.3	--	50.3	07:55	18:55
	UK	Current Account (BP)	2Q	-10.8B	--	-9.4B	08:30	19:30
		Exports	2Q P	1.5%	--	2.4%	08:30	19:30
		GDP q/q	2Q F	0.2%	--	0.2%	08:30	19:30
		GDP y/y	2Q F	0.7%	--	0.7%	08:30	19:30
		Government Spending	2Q P	0.2%	--	0.5%	08:30	19:30
		Gross Fixed Capital Formation	2Q P	-1.1%	--	-2.0%	08:30	19:30
		Imports	2Q P	-1.5%	--	-2.4%	08:30	19:30
		Official Reserves (Changes)	SEP	--	--	\$2237M	08:30	19:30
		PMI Services	SEP	50.5	--	51.1	08:30	19:30
		Private Consumption	2Q P	-0.4%	--	-0.6%	08:30	19:30
		Total Business Investment q/q	2Q F	--	--	--	08:30	19:30
		Total Business Investment y/y	2Q F	--	--	--	08:30	19:30
	US	MBA Mortgage Applications	Sep-30	--	--	9.3%	11:00	22:00
		Challenger Job Cuts y/y	SEP	--	--	47.0%	11:30	23:30
		ADP Employment Change	SEP	75K	--	91K	12:15	23:15
		ISM Non-Manf. Composite	SEP	53	--	53.3	14:00	01:00
Thursday 6-Oct	EU	ECB Announces Interest Rates	Oct-06	1.5%	--	1.5%	11:45	22:45
		Trichet Speaks at ECB Monthly News Conference					12:30	23:30
	GE	Factory Orders m/m sa	AUG	0.0%	--	-2.8%	10:00	21:00
		Factory Orders y/y nsa	AUG	2.8%	--	8.7%	10:00	21:00
	UK	New Car Registrations y/y	SEP	--	--	7.3%	00:00	11:00
		BoE Housing Equity Withdrawal	2Q	--	--	£5.8B	08:30	19:30
		Index of Services (3mth/3mth)	JUL	0.9%	--	0.5%	08:30	19:30
		Index of Services m/m	JUL	-0.3%	--	-0.1%	08:30	19:30
		BOE Rates Decision		0.5%	--	0.5%	11:00	22:00
		BOE Asset Purchase Target	OCT	200B	--	200B	11:00	22:00
	US	ICSC Chain Store Sales y/y	SEP	--	--	4.6%	00:00	11:00
		RBC Consumer Outlook Index	OCT	--	--	40.2	12:00	23:00
		Continuing Claims	Sep-24	--	--	3729K	12:30	23:30
		Initial Jobless Claims	Sep-30	--	--	391K	12:30	23:30
	Bloomberg Consumer Comfort	Oct-02	--	--	-53	13:45	00:45	
CA	Building Permits m/m	AUG	--	--	-0.6%	12:30	23:30	
	Ivey Purchasing Managers Index sa	SEP	--	--	56.4	14:00	01:00	
PO	Bank of Portugal Publishes Autumn Economic Bulletin					00:00	11:00	

DATA & EVENT CALENDAR

DATE	COUNTRY	DATA/EVENT	PERIOD	MARKET	ANZ	LAST	GMT	AEST
Friday	AU	AiG Perf of Construction Index	SEP	--	--	32.1	22:30	09:30
7-Oct		Foreign Reserves	SEP	--	--	A\$43.8B	05:30	16:30
		AOFM Auctions A\$700 of Jun-2014 bonds						
	JN	BOJ Target Rate	Oct-07	--	--	0.1%	13:00	00:00
		Coincident Index CI	AUG P	107.1	--	107.1	05:00	16:00
		Leading Index CI	AUG P	103.4	--	104.6	05:00	16:00
	GE	Industrial Prod. y/y (nsa wda)	AUG	5.6%	--	10.1%	10:00	21:00
		Industrial Production m/m sa	AUG	-1.5%	--	4.0%	10:00	21:00
	UK	PPI Inputnsa m/m	SEP	1.4%	--	-1.9%	08:30	19:30
		PPI Inputnsa y/y	SEP	17.2%	--	16.2%	08:30	19:30
		PPI Output Corensa m/m	SEP	0.1%	--	0.2%	08:30	19:30
		PPI Output Corensa y/y	SEP	3.7%	--	3.6%	08:30	19:30
		PPI Output nsa m/m	SEP	0.1%	--	0.1%	08:30	19:30
		PPI Output nsa y/y	SEP	6.2%	--	6.1%	08:30	19:30
	US	Avg Hourly Earning m/m All Emp	SEP	0.2%	--	-0.1%	12:30	23:30
		Avg Hourly Earning y/y All Emp	SEP	1.9%	--	1.9%	12:30	23:30
		Avg Weekly Hours All Employees	SEP	34.2	--	34.2	12:30	23:30
		Change in Manufact. Payrolls	SEP	-5K	--	-3K	12:30	23:30
		Change in Nonfarm Payrolls	SEP	50K	--	0K	12:30	23:30
		Change in Private Payrolls	SEP	89K	--	17K	12:30	23:30
		Chg in Household Survey Empl	SEP	--	--	331	12:30	23:30
		Underemployment Rate	SEP	--	--	--	12:30	23:30
		Unemployment Rate	SEP	9.1%	--	9.1%	12:30	23:30
		Wholesale Inventories	AUG	0.6%	--	0.8%	14:00	01:00
		Fed's Lockhart (non-voter) Speaks on economy in Atlanta					14:45	01:45
		Consumer Credit	AUG	\$8.000B	--	\$11.965B	19:00	06:00
	CA	Full Time Employment Change	SEP	--	--	25.7	11:00	22:00
		Net Change in Employment	SEP	19.5K	--	-5.5K	11:00	22:00
		Part Time Employment Change	SEP	--	--	-31.2	11:00	22:00
		Participation Rate	SEP	--	--	66.7	11:00	22:00
		Unemployment Rate	SEP	7.3%	--	7.3%	11:00	22:00
8-Oct	CH	China HSBC Services PMI	SEP	--	--	50.6	02:30	13:30

FIVE WEEKS AT A GLANCE

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
3 OCTOBER NZ: Commod. Prices (Sep) AU: AiG PMI (Sep), TD Inflation (Sep) CH: Non-Manf.PMI (Sep), National Day Holiday JP: Tankan Survey (Q3) EU: PMI Manf. (Sep F) GE: PMI Manf. (Sep F), German Unity Holiday UK: PMI Manf. (Sep) US: Construction Spend (Aug), ISM Manf (Sep)	4 OCTOBER NZ: Fonterra Global Diary Auction AU: Trade (Aug), Building Approvals (Aug), RBA Cash Rate CH: National Day Holiday EU: PPI (Aug) UK: PMI Construction (Sep) US: Factory Orders (Aug), Fed Chairman Bernanke Testifies before JEC	5 OCTOBER AU: Retail Sales (Aug) CH: National Day Holiday EU: PMI Services (Sep F), Retail Sales (Aug) GE: PMI Services (SepF) UK: PMI Services (Sep), GDP (Q2 F), Trade (Q2 P) US: ADP Employment (Sep), ISM Non – Manf. (Sep)	6 OCTOBER CH: National Day Holiday EU: ECB Rates Decision, ECB's Trichet Speaks GE: Factory Orders (Aug) UK: BoE Rates Decision CA: Building Permits (Aug), Ivey PMI (Sep)	7 OCTOBER CH: National Day Holiday JP: BoJ Rates Decision GE: Ind Production (Aug) UK: PPI (Sep) US: Non-farm Payrolls (Sep), Unemployment Rate (Sep), Fed's Lockhart Speaks CA: Employment (Sep)
10 OCTOBER AU: ANZ Job Ads (Sep) JP: Sports Day Holiday GE: Current Acc. (Aug), Trade (Aug) EU: Sentix Survey (Oct) US Columbus Holiday CA: Thanksgiving Hol.	11 OCTOBER NZ: Card Spending (Sep) AU: NAB Business Survey (Sep) JP: Current Account (Aug), Consumer Conf. (Sep), Trade (Aug) UK: Ind Production (Aug) Manf. Production (Aug), NIESR GDP Est (Sep), Trade (Aug) US: NFIB Small Business Survey (Sep), FOMC Minutes CA: Housing Starts (Sep)	12 OCTOBER AU: Westpac Consumer Conf. (Oct), Housing Finance (Aug), RBA's Debelles Speaks JP: Machine Orders (Aug) EU: Ind Production (Aug) UK: AWE (Aug), Unemp. (Aug), Jobless Claims Change (Sep) US: JOLT Jobs (Aug), Fed's Plosser Speaks CA: New House Price (Aug)	13 OCTOBER NZ: Business PMI (Sep), Food Prices (Sep), ANZ Consumer Conf. (Oct) AU: Employment (Sep) CH: Trade (Sep) JP: BoJ minutes GE: CPI (Sep F) US: Trade (Aug) CA: Trade (Aug)	14 OCTOBER CH: CPI (Sep), PPI (Sep) EU: CPI (Sep), Trade (Aug) US: Import Prices (Sep), Retail Sales (Sep), Uni of Michigan Conf. (Oct P), Business Inventories (Aug) CA: Manf. Sales (Aug)
17 OCTOBER NZ: Performance of Services Index (Sep) AU: Vehicle Sales (Sep) JP: Industrial Production (Aug F) US: Empire Manf. Index (Oct), Ind. Production (Sep) CA: BoC loan officers Survey (Q3)	18 OCTOBER NZ: Fonterra Global Diary Auction AU: RBA Minutes CH: GDP (Q3), IP (Sep), Retail Sales (Sep) EU: ZEW Survey (Oct) GE: ZEW Survey (Oct) UK: CPI (Sep) US: Fed's Rosengreen and Bernanke Speak , PPI (Sep), TIC flows (Aug), NAHB Housing Market Index (Oct).	19 OCTOBER AU: Consumer Inflation Expectations (Oct), DEWR Vacancies (Sep), RBA's Debelles Speaks EU: Current Account (Aug), Construction Output (Aug) UK: BoE minutes US: Fed's Beige Book , CPI (Sep), Housing Starts (Sep), Building Permits	20 OCTOBER AU: NAB Business Survey (Q3), RBA's Edey Speaks EU: Consumer Confidence (Oct A) GE: PPI (Sep) UK: Retail Sales (Sep) US: Philly Fed. (Oct), Existing Home Sales (Sep), Leading Indicators (Sep) CA: Wholesale Sales (Aug)	21 OCTOBER NZ: Net Migration (Sep), Credit Card Spending (Sep) AU: Trade Prices (Q3) EU: ECB's Trichet, Praet, Stark and Nowotny Speak GE: IFO (Oct) SZ: SB Publishes Monthly Nulletin CA: CPI (Sep)
24 OCTOBER NZ: Labour Day Holiday AU: PPI (Q3) JP: Trade (Sep) EU: Industrial New Orders (Aug) US: Chicago Fed Activity Index (Sep)	25 OCTOBER NZ: CPI (Q3) AU: RBA's Battellino Speaks EU: EU's Juncker Speaks UK: GDP (Q3 A), Services Index (Aug) US: Case-Shiller House Prices (Aug), Cons. Conf. (Oct), Richmond Fed Manf. Index (Oct) CA: Retail Sales (Aug), BoC Rates Decision	26 OCTOBER NZ: NBNZ Business Conf. (Oct) AU: CPI (Q3) EU: ECB Bank Lending Survey GE: GfK Consumer Conf. (Nov) US: Durable Goods Orders (Sep), Capital Goods Orders (Sep), New Home Sales (Sep) CA: Monetary Policy Report	27 OCTOBER NZ: RBNZ Cash Rate Decision , Trade (Sep) JP: BoJ Rates Decision , Retail Sales (Sep) CH: Industrial Profits YTD (Sep) EU: Consumer Confidence (Oct F), Economic, Industrial & Service Confidence (Oct) GE: CPI (Oct P) US: GDP (Q3 A), Personal Consumption (Q3 A), Pending Home Sales (Sep), Kansas City Fed Manf (Oct)	28 OCTOBER JP: Jobless Rate (Sep), Household Spending (Sep), CPI (Sep), Industrial Production (Sep P) UK: GfK Consumer Conf. (Oct) US: Personal Income (Sep), Personal Spending (Sep), PCE Deflator (Sep), Uni of Michigan Conf. (Oct F)
31 OCTOBER NZ: Building Permits (Sep) AU: RP-Rismark House Prices (Sep), Private Credit (Sep) JP: Housing Starts (Sep), Construction Orders (Sep), EU: Unemployment (Sep), CPI est. (Oct) UK: Mortgage Approvals (Sep), Consumer credit (Sep) US: Chicago PMI (Oct), Dallas Fed Manf. (Oct) CA: GDP (Aug)	1 NOVEMBER NZ: Wages (Q3), Fonterra Global Diary Auction AU: House Prices (Q3), RBA Cash Rate JP: BoJ minutes , Vehicle Sales (Oct) CH: PMI Manf. (Oct) EU: PMI Manf. (Oct F) GE: PMI Manf. (Oct F) UK: PMI Manf. (Oct) US: ISM Manf. (Oct), Construction Spending (Sep)	2 NOVEMBER AU: Building Approvals (Sep) GE: Unemployment (Oct) UK: PMI Construction (Oct) US: FOMC Rates Decision, Fed's Bernanke Speaks , ADP Employment (Oct)	3 NOVEMBER NZ: Employment (Q3) AU: Retail Sales (Sep), Real Retail Sales (Q3) CH: Non-manufacturing PMI (Oct) JP: Culture Day Holiday EU: PMI Services (Oct F), ECB rates decision, ECB's Trichet Speaks GE: PMI Services (Oct F) UK: PMI Services (Oct) US: ISCS Chain Store Sales (Oct), ISM non-manuf. (Oct), Factory Orders (Sep)	4 NOVEMBER AU: RBA SoMP EU: PPI (Sep) GE: Factory Orders (Sep) US: Nonfarm Payrolls (Oct) CA: Employment (Oct), Building Permits (Sep)

CENTRAL BANK RELEASES FOR 2011

JANUARY	FEBRUARY	MARCH	APRIL
5th – FOMC Minutes 13th – BoE 13th – ECB 25th – BoJ 26th – FOMC 26th – BoE Minutes 27th – RBNZ 28th – BoJ Minutes	1st – RBA 3rd – ECB 4th – RBA MP Statement 10th – BoE 15th – RBA Minutes 15th – BoJ 22nd – BoJ Minutes 23rd – BoE Minutes	1st – RBA 1st – BoC 3rd – ECB 10th – RBNZ 10th – RBNZ MP Statement 10th – BoE 15th – BoJ 15th – RBA Minutes 15th – FOMC 17th – SNB 18th – BoJ Minutes 23rd – BoE Minutes	5th – RBA 7th – BoJ 7th – BoE 7th – ECB 12th – BoJ Minutes 12th – BoC 19th – RBA Minutes 20th – BoE Minutes 27th – FOMC 28th – RBNZ 28th – BoJ
MAY	JUNE	JULY	AUGUST
3rd – RBA 6th – RBA MP Statement 5th – BoE 5th – ECB 9th – BoJ Minutes 17th – RBA Minutes 18th – BoE Minutes 20th – BoJ 25th – BoJ Minutes 31st – BoC	7th – RBA 9th – RBNZ 9th – RBNZ MP Statement 9th – BoE 9th – ECB 14th – BoJ 16th – SNB 17th – BoJ Minutes 21st – RBA Minutes 22nd – BoE Minutes 22nd – FOMC	5th – RBA 7th – ECB 7th – BoE 12th – BoJ 13th – FOMC Minutes 15th – BoJ Minutes 19th – RBA Minutes 19th – BoC 20th – BoE Minutes 28th – RBNZ	2nd – RBA 4th – ECB 4th – BoE 5th – BoJ 9th – FOMC 10th – BoJ Minutes 16th – RBA Minutes 17th – BoE Minutes 30th – FOMC Minutes
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
6th – RBA 7th – BoJ 7th – BoC 8th – ECB 8th – BoE 12th – BoJ Minutes 15th – RBNZ 28th – RBNZ MP Statement 15th – SNB 20th – RBA Minutes 20th – FOMC 21st – BoE Minutes	4th – RBA 6th – ECB 6th – BoE 7th – BoJ 11th – FOMC Minutes 13th – BoJ Minutes 18th – RBA Minutes 19th – BoE Minutes 25th – BoC 27th – RBNZ 27th – BoJ	1st – RBA 1st – BoJ Minutes 2nd – FOMC 3rd – ECB 10th – BoE 16th – BoJ 18th – RBA Minutes 21st – BoJ Minutes 22nd – FOMC Minutes 23rd – BoE Minutes	6th – RBA 6th – BoC 8th – RBNZ 8th – RBNZ MP Statement 8th – ECB 8th – BoE 13th – FOMC 15th – SNB 20th – RBA Minutes 21st – BoJ 21st – BoE Minutes 27th – BoJ Minutes

***Notes:** Entries are the dates of central bank interest rate announcements for 2011, unless specified as minutes or otherwise.

Dates are indicative only and are subject to change by central bank authorities.

Key: BoC: Bank of Canada, BoJ: Bank of Japan, BoE: Bank of England, ECB: European Central Bank, FOMC: Federal Open Market Committee, RBA: Reserve Bank of Australia, RBNZ: Reserve Bank of New Zealand, SNB: Swiss National Bank.

Source: Central bank websites.

FORECASTS

AUSTRALIAN ECONOMIC INDICATORS	2010	2011F	2012F	2013F
Economic activity (annual % change)				
Private final demand	2.2	4.3	5.7	6.4
Household consumption	2.8	2.7	2.1	2.3
Dwelling investment	4.2	1.6	-2.0	7.6
Business investment	0.0	12.0	20.0	17.6
Public demand	9.1	1.8	2.7	2.0
Domestic final demand	3.8	3.7	5.0	5.4
Inventories (contribution to GDP)	0.4	0.3	-0.4	0.0
Gross National Expenditure (GNE)	4.2	4.0	4.5	5.4
Exports	5.7	-0.8	12.2	10.3
Imports	13.7	12.0	14.6	12.2
Net Exports (contribution to GDP)	-1.6	-3.0	-1.0	-0.9
Gross Domestic Product (GDP)	2.7	1.2	3.0	3.9
Prices and wages (annual % change)				
Inflation:				
Headline CPI*	2.8	3.3	2.6	3.6
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)	16.5	16.3	5.1	-3.5
Current account balance: A\$bn	-36.0	-26.4	-14.7	-33.8
% of GDP	-2.7	-1.8	-1.0	-2.1

* 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	4.75	4.75	4.75	4.75	4.75
90 day bill	4.92	4.90	4.90	4.90	4.90	4.90
3 year bond	3.63	3.70	3.80	4.00	4.20	4.40
10 year bond	4.24	4.40	4.40	4.50	4.70	4.90
3s10s yield curve	0.61	0.70	0.60	0.50	0.50	0.50
3 year swap	4.17	4.10	4.20	4.40	4.60	4.80
10 year swap	4.88	4.98	4.95	5.05	5.25	5.45

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	2.84	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	0.25	0.20	0.20	0.20	0.20	0.40
US 10 year note	1.98	2.10	2.20	2.40	2.70	3.00
Japan call rate	0.10	0.10	0.10	0.10	0.10	0.10
ECB refinance rate	1.50	1.50	1.50	1.50	1.50	1.50
UK repo rate	0.50	0.50	0.50	0.50	0.50	0.50

FORECASTS

FOREIGN EXCHANGE RATES	CURRENT	DEC 11F	MAR 12F	JUN 12F	SEP 12F	DEC 12F
Australian exchange rates						
A\$/US\$	0.98	1.12	1.12	1.12	1.14	1.14
NZ\$/US\$	0.77	0.91	0.92	0.93	0.93	0.93
A\$/¥	74.7	84.0	84.0	80.6	82.1	82.1
A\$/€	0.72	0.75	0.74	0.74	0.74	0.74
A\$/£	0.63	0.68	0.67	0.67	0.67	0.67
A\$/NZ\$	1.28	1.23	1.22	1.20	1.23	1.23
A\$/C\$	1.01	1.08	1.10	1.11	1.15	1.17
A\$/CHF	0.88	1.03	1.05	1.08	1.12	1.14
A\$/CNY	6.20	7.06	6.97	6.88	6.92	6.83
A\$ Trade weighted index	72.5	79.0	78.1	77.0	77.6	77.4
International cross rates						
US\$/¥	76.6	75.0	75.0	72.0	72.0	72.0
€/US\$	1.35	1.50	1.52	1.52	1.55	1.55
€/¥	104	113	114	109	112	112
£/US\$	1.56	1.65	1.68	1.68	1.70	1.70
€/£	0.87	0.91	0.90	0.90	0.91	0.91
US\$/C\$	1.04	0.96	0.98	0.99	1.01	1.03
US\$/CHF	0.90	0.92	0.94	0.96	0.98	1.00
US\$ index	78.1	78.6	80.4	80.1	80.5	80.8
Asia exchange rates						
US\$/CNY	6.36	6.30	6.22	6.14	6.07	5.99
US\$/HKD	7.79	7.80	7.80	7.80	7.80	7.80
US\$/IDR	8815	8200	7900	7700	7500	7500
US\$/INR	49.0	42.9	41.8	40.6	39.5	39.5
US\$/KRW	1179	1020	990	970	950	950
US\$/MYR	3.19	2.92	2.88	2.83	2.79	2.79
US\$/PHP	43.9	41.4	40.8	40.2	39.6	39.6
US\$/SGD	1.30	1.18	1.17	1.15	1.13	1.13
US\$/THB	31.17	29.30	28.90	28.60	28.20	28.20
US\$/TWD	30.56	28.40	28.10	27.80	27.50	27.50
US\$/VND	20819	21000	21400	21400	21400	21400
Pacific exchange rates						
PGK/US\$	0.449	0.378	0.372	0.366	0.366	0.366
FJD/US\$	0.545	0.538	0.530	0.522	0.522	0.522

IMPORTANT NOTICE

Australia and New Zealand Group Limited is represented in:

AUSTRALIA

Australia and New Zealand Banking Group Limited
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