



ECONOMICS & MARKETS RESEARCH

ANZ AUSTRALIAN ECONOMICS TOOLBOX

11 JUNE 2010

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STILL BANKING ON THE INVESTMENT BOOM?

- Business confidence dipped in May on the back of a fall in confidence in the mining industry following the announcement of the Resources Super Profits tax.
- Based on our estimates the impact from any cancelled projects is more likely between FY12 and FY19. As a result, the short-term investment outlook is unlikely to be significantly affected.
- However in the longer term, if the threatened projects are cancelled around \$A8bn per year in Capex could be lost. The broader macro economic impact would be considerably larger, given the large multipliers that the mining industry has with the broader economy. A fall of \$A8bn per year between FY12 and FY19 represents a fall of 16% from the current level of expenditure in FY11.

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THE WEEK AHEAD

- The **Australian** market will closed Monday for the Queen's Birthday. Following the holiday it will be a slower data week. The market's main focus will be Tuesday's RBA June Board Minutes. There will also be a speech by the RBA's Deputy Governor Ric Battellino on Tuesday.
- The main **US** data events next week will be Tuesday's release of the Empire State Manufacturing Survey, Wednesday's producer price index, housing and industrial production data, and Friday's CPI and Philadelphia Fed Survey. A number of Fed speeches are scheduled, with Fed Chairman Bernanke to speak at a financial regulation conference in New York on Wednesday.
- It will be a busy week for **European** dataflow. In the **Euro zone**, markets will monitor the release of CPI, industrial production and the Zew Survey of economic sentiment. The **German** market will monitor the release of the Zew surveys for economic sentiment and current situation on Tuesday. Next week, the key economic releases for the **UK** market include the CPI, RPI, retail sales and jobless claims.
- It will be a slower week for **Japanese** data. Markets will await the release of industrial production data for April and the tertiary industry index for April. The Bank of Japan will hold its monthly monetary policy meeting with markets expecting the bank to leave rates on hold at 0.1%. The **Chinese** market will be closed for the Dragon Boat Festival from Monday to Wednesday, while foreign direct investment stats will also be released during the week.

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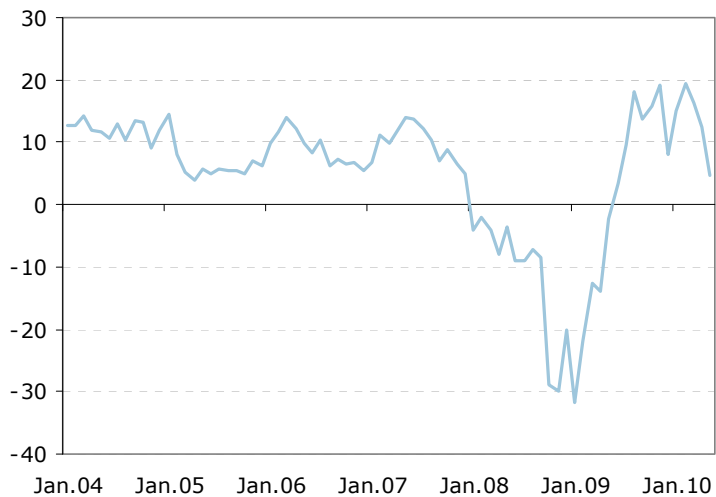
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STILL BANKING ON THE INVESTMENT BOOM?

Another week, another set of mixed data. The Australian economy remains on a sound footing in broad terms, with solid employment growth continuing and the unemployment rate falling to 5.2%. Nevertheless, household activity, particularly in the new residential building sector, continues to soften. Confidence meanwhile is deteriorating with both consumer and business sentiment falling in May.

The large fall in business confidence in May, down 8pts to just 4.6 (the lowest level since June 2009) is of concern given expectations that a transition to strong private investment will lead the next upturn in Australian economic growth. It is of particular concern given that the fall in confidence was driven by mining, the very sector expected to drive this investment boom.

FIGURE 1: NAB BUSINESS CONFIDENCE



Source: NAB

This hit to mining confidence is, no doubt, being driven by uncertainty over the proposed Resources Super Profits Tax (RSPT). Miners are now putting planned investment projects under review. Is there a risk that this policy uncertainty will derail Australia's expected investment boom?

According to ABARE, at the end of April 2010 there were 75 advanced minerals and energy projects in Australia (i.e. projects which are either committed or under construction). These projects are worth approximately \$A110bn and will add around 16% to nominal GDP over the next decade.

Of these advanced projects, we have estimated that 51 are currently under construction. These projects have a value of around \$50bn. Just over half of these are new mine projects (worth approximately \$30bn). The rest are upgrades of existing facilities. This investment, if fulfilled, will add around 7% to nominal GDP over the next two years. It is consistent with business investment growth of at least 10% per annum.

Media reports have speculated that several projects have either been cancelled, put on hold or are under review as a result of the proposed RSPT. By our estimates the uncertainty surrounding the tax is having an impact on the planning of around \$A100bn in Capex (Figure 2). However, the bulk of the expenditure is planned for 2012-2019; consequently the uncertainty surrounding the tax should not materially impact near term capex in the industry or the broader economy.

IN FOCUS

FIGURE 2: TABLE OF PROJECTS

PROJECT	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL EXPENDITURE
Under threat												
Chalco Bauxite/Alumina Refinery				0.7	1.5	0.3						2.5
On hold												
Solomon Hub WA												
Western Hub, WA					1	2	2	1				6
Cape Lamber South, WA			0.1	0.2	0.1							0.4
Wandoan Thermal Coal, QLD			0.1	0.2	0.2	0.1						0.6
Ernst Henry Copper, QLD			1	1.5	1.9							4.4
Under threat												
Olympic Dam Expansion, Copper, Gold, Uranium, SA						1	1.5	2	2	2	2	22
Pilbara RGP, Iron Ore, BHP, WA	1	2	2	1								3
Coal, Bowen Basin QLD												
Delayed Decision												
Australia Pacific LNG, Origin Energy		0.5	0.5	1	3	4	4	5	7	8	2	35
Gladstone LNG, Santos, Petronas		1	2.5	2.5	1	0.7						7.7
Curtis Island LNG, BG Group	1	2.5	3	2.5	2.5	1	1.5	1				15
Fisherman's Landing Gladstone LNG, Shell, Arrow Energy	0.1	1	1	0.1								2.2
Total	2.1	7	10.2	9.7	11.2	9.1	9	9	9	10	4	98.8

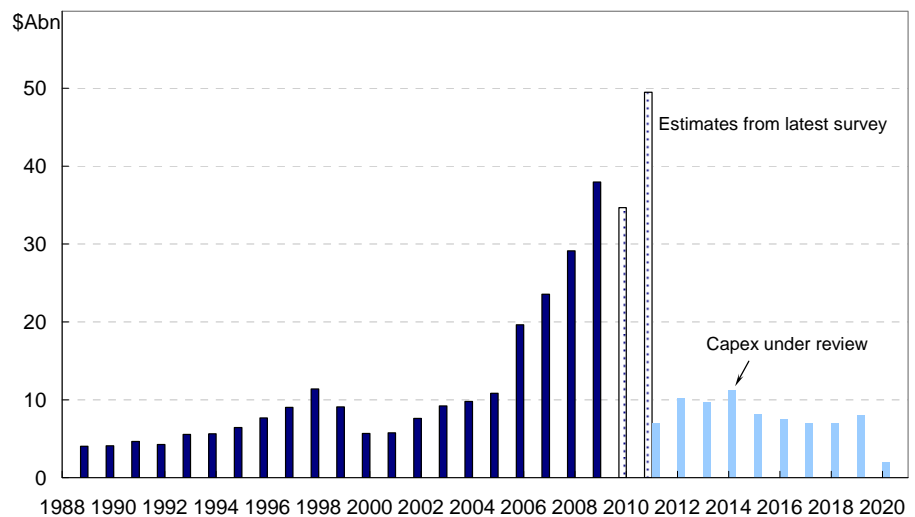
Source: Reuters.

IN FOCUS

Some of the projects in the list, particularly Ernst Henry and Olympic Dam, are reasonably marginal projects and were always going to take longer to evolve. However, the LNG projects in Queensland and the iron ore project expansions in Western Australia are generally seen to be more viable and any delays caused by changing taxation arrangements should be seen as a concern.

To put the projects that are now under review into some macro context, we have used the latest capex survey and the information from the media reports to estimate the impact on investment in the industry. The survey suggests that mining capex should rise by around 43% adjusted for our estimate of survey realisation. However, if the projects under threat are cancelled it would represent a reduction in expenditure of around \$7.7bn per annum over the next 10 years (Figure 3). This represents a fall in capex of around 16% from the current expected pace of investment in FY11.

FIGURE 3: ABS SURVEY OF MINING CAPEX



Source: ANZ, ABS, and Reuters

Overall, the impact of the tax on the industry could be significant if the projects that are under threat are eventually cancelled. Furthermore, this could have a material impact on the macroeconomic outlook given the size of the projects. However, this should not have any major macroeconomic impact in the short-medium term as the bulk of expenditure is planned for FY12-FY19.

DATA & EVENT CALENDAR

Date	Country	Data/Event	ANZ	Market	Last	GMT
11-18 June	CH	Actual FDI YoY – (May)	nf	23.2%	24.7%	-
13-17 June	UK	Nationwide Consumer Confidence – (May)	nf	72	74	-
June 14	NZ	Performance Services Index – (May)	nf	na	54.1	-
		Retail Sales MoM – (Apr)	-0.5%	-0.2%	0.5%	22:45
		Retail Sales Ex-Auto MoM – (Apr)	-1.0%	-0.4%	1.1%	22:45
	AU	Market closed for Queen's Birthday Holiday	-	-	-	-
	JP	BSI Large All Industry QoQ – (Q2)	nf	na	-2.4	23:50
		BSI Large Manufacturing QoQ – (Q2)	nf	na	4.3	23:50
		BoJ Monetary Policy Meeting	-	-	-	04:00
		Industrial Production MoM – (Apr F)	nf	na	1.3%	04:30
		Industrial Production YoY – (Apr F)	nf	na	31.8%	04:30
		Capacity Utilization MoM – (Apr F)	nf	na	0.6%	04:30
	CH	Market closed for Dragon Boat Festival	-	-	-	-
	EU	Euro-Zone Industrial Production sa MoM – (Apr)	nf	0.6%	1.5%	09:00
		Euro-Zone Industrial Production wda YoY – (Apr)	nf	na	7.4%	09:00
	UK	RICS House Price Balance – (May)	nf	na	17%	23:01
	US	Fed's Bullard Speaks in Tokyo	-	-	-	09:15
	CA	New Motor Vehicle Sales MoM – (Apr)	nf	-5.0%	-4.2%	12:30
June 15	NZ	REINZ House Sales YoY – (May)	nf	na	-16.2%	22:00
		REINZ Housing Price Index MoM – (May)	nf	na	-0.4%	22:00
		Non Resident Bond Holdings – (May)	nf	na	63.2%	03:00
	AU	Reserve Bank's Board Minutes – (June)	-	-	-	01:30
		RBA's Deputy Governor Battellino speaks in Sydney	-	-	-	02:30
	JP	BOJ Target Rate	0.10%	0.10%	0.10%	-
		Tokyo Condominium Sales YoY – (May)	nf	na	22.6%	04:00
	CH	Market closed for Dragon Boat Festival	-	-	-	-
	EU	EU 25 New Car Registrations – (May)	nf	na	-7.4%	06:00
		Zew Survey (Economic Sentiment) – (Jun)	nf	na	37.6	09:00
		Euro-Zone Trade Balance – (Apr)	nf	na	4.5B	09:00
		Euro-Zone Trade Balance sa – (Apr)	nf	na	0.6B	09:00
		Eurozone Employment QoQ – (Q1)	nf	na	-0.3%	09:00
		Eurozone Employment YoY – (Q1)	nf	na	-2.1%	09:00
	GE	Zew Survey (Economic Sentiment) – (Jun)	nf	48.0	45.8	09:00
		Zew Survey (Current Situation) – (Jun)	nf	-15.0	-21.6	09:00

DATA & EVENT CALENDAR

Date	Country	Data/Event	ANZ	Market	Last	GMT	
June 15 Cont	UK	CPI MoM – (May)	nf	0.3%	0.6%	08:30	
		CPI YoY – (May)	nf	3.5%	3.7%	08:30	
		Core CPI YoY – (May)	nf	na	3.1%	08:30	
		RPI MoM – (May)	nf	0.3%	1.0%	08:30	
		RPI YoY – (May)	nf	5.0%	5.3%	08:30	
		RPI Ex Mortgage Interest Payments YoY – (May)	nf	na	5.4%	08:30	
		DCLG UK House Prices YoY – (Apr)	nf	na	9.7%	08:30	
	US	Import Price Index MoM – (May)	nf	-1.2%	0.9%	12:30	
		Import Price Index YoY – (May)	nf	8.1%	11.1%	12:30	
		Empire State Manufacturing Survey – (Jun)	nf	20.00	19.11	12:30	
		Net Long-term TIC Flows – (Apr)	nf	na	\$140.5B	13:00	
		Total Net TIC Flows – (Apr)	nf	na	\$10.5B	13:00	
		NAHB Housing Market Index – (Jun)	nf	22	22	14:00	
		ABC Consumer Confidence – (Jun 13)	nf	na	-43	21:00	
		Fed's Bullard Speaks in Hong Kong	nf	-	-	10:15	
		CA	Labor Productivity QoQ – (Q1)	nf	1.2%	1.4%	12:30
			Manufacturing Sales MoM – (Apr)	nf	0.5%	1.2%	12:30
	June 16	AU	Westpac Leading Index MoM – (Apr)	nf	na	0.9%	00:30
			Dwelling Starts – (Q1)	nf	na	15.1%	01:30
		AOFM auctions \$500 mn of Mar 2019 Bonds	-	-	-	-	
JP		Tertiary Industry Index MoM – (Apr)	nf	2.5%	-3.0%	23:50	
		BOJ Monthly Report	-	-	-	05:00	
		Machine Tool Orders YoY – (May F)	nf	na	191.8%	06:00	
CH		Market closed for Dragon Boat Festival	-	-	-	-	
EU		Euro-Zone CPI MoM- (May)	nf	0.1%	0.5%	09:00	
		Euro-Zone CPI YoY – (May F)	nf	1.6%	1.5%	09:00	
		Euro-Zone CPI - Core YoY – (May)	nf	0.8%	0.8%	09:00	
		Euro-Zone Labour Costs YoY – (Q1)	nf	na	2.2%	09:00	
		ECB's Mersch Presents Bank's Annual Report 2009	-	-	-	-	
UK		Claimant Count Rate – (May)	nf	4.6%	4.7%	08:30	
		Jobless Claims Change – (May)	nf	-24.0K	-27.1K	08:30	
		Average Weekly Earnings 3M/YoY – (Apr)	nf	4.3%	4.0%	08:30	
	Weekly Earnings exBonus 3M/YoY – (Apr)	nf	2.0%	1.9%	08:30		
	ILO Unemployment Rate (3mths) – (Apr)	nf	8.0%	8.0%	08:30		
US	MBA Mortgage Applications – (Jun 11)	nf	na	-12.2%	11:00		

DATA & EVENT CALENDAR

Date	Country	Data/Event	ANZ	Market	Last	GMT		
June 16	US	Producer Price Index MoM – (May)	nf	-0.5%	-0.1%	12:30		
		Producer Price Index YoY – (May)	nf	4.8%	5.5%	12:30		
		PPI Ex Food & Energy MoM – (May)	nf	0.1%	0.2%	12:30		
		PPI Ex Food & Energy YoY – (May)	nf	1.1%	1.0%	12:30		
		Housing Starts – (May)	nf	650K	672K	12:30		
		Housing Starts MoM – (May)	nf	-3.3%	5.8%	12:30		
		Building Permits – (May)	nf	628K	610K	12:30		
		Building Permits MoM – (May)	nf	2.9%	-10.9%	12:30		
		Industrial Production – (May)	nf	0.9%	0.8%	13:15		
		Capacity Utilization – (May)	nf	74.5%	73.7%	13:15		
		Fed's Plosser Speaks in New York			-	-	-	18:15
		Fed's Bernanke Speaks in New York			-	-	-	21:45
June 17	NZ	ANZ Consumer Confidence Index – (Jun)	nf	na	126.0	03:00		
		ANZ Consumer Confidence MoM – (Jun)	nf	na	3.4%	03:00		
	AU	RBA Foreign Exchange Transactions	nf	na	350M	01:30		
	JP	Japan Buying Foreign Stocks – (Jun 11)	nf	na	¥225.9B	23:50		
		Japan Buying Foreign Bonds – (Jun 11)	nf	na	¥1291.5B	23:50		
		Foreign Buying Japan Stocks – (Jun 11)	nf	na	-¥75.2B	23:50		
		Foreign Buying Japan Bonds – (Jun 11)	nf	na	¥159.4B	23:50		
			Leading Index CI – (Apr F)	nf	na	101.7	05:00	
			Coincident Index CI – (Apr F)	nf	na	101.6	05:00	
	EU	ECB Publishes June Monthly Report		-	-	-	08:00	
		Construction Output sa MoM – (Apr)		nf	na	7.6%	09:00	
		Construction Output wda YoY – (Apr)		nf	na	-5.2%	09:00	
			ECB Council Member Liikanen Speaks in Helsinki	-	-	-	08:00	
	UK	Retail Sales MoM – (May)		nf	0.0%	0.3%	08:30	
		Retail Sales YoY – (May)		nf	2.0%	1.8%	08:30	
		Retail Sales Ex Auto Fuel MoM – (May)		nf	na	0.1%	08:30	
		Retail Sales Ex Auto Fuel YoY – (May)		nf	na	3.0%	08:30	
		U.K. CBI June Industrial Trends		-	-	-	10:00	
US	Consumer Price Index MoM – (May)		nf	-0.2%	-0.1%	12:30		
	Consumer Price Index YoY – (May)		nf	2.0%	2.2%	12:30		
	CPI Ex Food & Energy MoM – (May)		nf	0.1%	0.0%	12:30		
	CPI Ex Food & Energy YoY – (May)		nf	0.9%	0.9%	12:30		
	Initial Jobless Claims – (Jun 12)		nf	453K	456K	12:30		
	Continuing Claims – (Jun 5)		nf	na	4462K	12:30		

DATA & EVENT CALENDAR

Date	Country	Data/Event	ANZ	Market	Last	GMT
June 17 Cont	US	Current Account Balance – (Q1)	nf	-\$119.3B	-\$115.6B	12:30
		Philadelphia Fed Business Outlook Survey – (Jun)	nf	21.0	21.4	14:00
		Leading Indicators – (May)	nf	0.4%	-0.1%	14:00
	CA	Wholesale Sales MoM – (Apr)	nf	na	1.4%	12:30
June 18	AU	AOFM auctions \$700 mn of Dec 2013 bonds	-	-	-	-
	JP	BoJ Monetary Policy Meeting Minutes for May	-	-	-	23:50
	GE	Producer Prices MoM – (May)	nf	0.1%	0.8%	06:00
		Producer Prices YoY – (May)	nf	0.7%	0.6%	06:00
	UK	Major Banks Mortgage Approvals – (May)	nf	na	47K	08:30
		Public Finances (PSNCR) – (May)	nf	na	8.8B	08:30
		Public Sector Net Borrowing – (May)	nf	na	10.0B	08:30
		M4 Money Supply MoM – (May P)	nf	na	0.0%	08:30
	CA	M4 Money Supply YoY – (May P)	nf	na	3.3%	08:30
		Leading Indicators MoM – (May)	nf	na	0.9%	12:30
		International Securities Transactions – (Apr)	nf	3.500B	-0.616B	12:30

FIVE WEEKS AT A GLANCE

Monday	Tuesday	Wednesday	Thursday	Friday
21 June NZ: Visitor Arrivals (May) AU: New Motor Vehicle Sales (May) JP: All Industry Activity Index (Apr) EU: PMI Services (Jun), PMI Manuf (Jun), PMI Composite (Jun) UK: Rightmove House Prices (Jun)	22 June NZ: Credit Card Spending (May) JP: Merchnds Trade Balance Total (May) EU: Consumer Confidence (Jun A), Current A/C (Apr) GE : IFO Business Climate (Jun), IFO Expectations (Jun) US: Existing Home Sales (May) CA: CPI (May)	23 June NZ: Current Account Balance (Q1) UK: Bank of England Minutes , BBA Loans for House Purchase (May) US: FOMC Rate Decision , New Home Sales (May) CA: Retail Sales (Apr)	24 June NZ: GDP (Q1) AU: Conference Board Leading Index (Apr) US: Durable Goods Orders (May), Initial Jobless Claims (Jun 19),	25 June NZ: Trade Balance (May) JP: CPI (May) CH: Industrial Profits (May) EU: Industrial New Orders (Apr) US : GDP (Q1), Personal Consumption (Q1)
28 June NZ: NBNZ Business Confidence (Jun), Building Permits (May) JP: Jobless Rate (May), Industrial Production (May) GE: CPI (Jun) UK: Nat'wide House prices sa (Jun) US: Personal Income (May),	29 June NZ: Money Supply M3 (May) JP: Vehicle Production (May) EU: Consumer confidence (Jun) US: Consumer Confidence (Jun) CA: Industrial Product Price (May)	30 June AU: DEWR Skilled Vacancies (Jun), Private Sector Credit (May), AiG Performance of Mfg Index (Jun) JP: Housing Starts (May), Tankan Lge Manufacturers Index (Q2) EU: CPI (Jun) GE: UE Rate (Jun) UK: GDP (Q1) CA: GDP (Apr)	1 July NZ: ANZ Commodity Price (Jun) AU: Building Approvals (May), Retail Sales (May) JP: Vehicle Sales (Jun) CH: PMI Manuf (Jun) EU: PMI Manuf (Jun) GE: PMI Manuf (Jun) UK: PMI Manuf (Jun) US: ISM Manufacturing (Jun), Pending home sales (May) CA: Market Closed	2 July EU: PPI (May), Unemployment Rate (May) UK: PMI Construction (Jun) US: Change in Nonfarm Payrolls (Jun), Unemployment Rate (Jun), Factory Orders (May)
5 July NZ: NZIER Business Opinion Survey (Q2) AU: TD Securities Inflation (Jun), ANZ Job Advertisements (Jun) EU: Retail Sales (May) GE: PMI Services (Jun) UK: PMI Services (Jun) US: Market Closed CA: Consumer Confidence (Jun)	6 July AU: RBA CASH TARGET , Trade Balance (May) JP: Machine Orders (May), Current Account (May), Trade Balance (May), Bank Lending (Jun) EU: PMI Services (Jun), PMI Composite (Jun) US : ISM Non-Manf. Composite (Jun), ABC Consumer Confidence (Jul 4)	7 July EU: GDP (Q1) GE: Factory Orders (May) US: MBA Mortgage Applications (Jul 2), Challenger Job Cuts (Jun)	8 July AU: UE Rate (Jun), Participation Rate (Jun) EU: ECB Announces Interest Rates GE: Industrial Production (May), Trade Balance (May), Current Account (May) UK: BOE ANNOUNCES RATES , Industrial Production (May) US: Initial Jobless Claims (Jul 3) CA: Consumer Prices (Jun)	9 July JP: Domestic CGPI (Jun) CH: Business Climate Index (Q2) GE: CPI UK: PPI US: Wholesale Inventories (May)
12 July UK: RICS House Price Balance (Jun)	13 July NZ: Food Prices (Jun) AU: Home Loans (May), Value of Loans (May) JP: Industrial Production (Jun), Capacity Utilization (Jun) EU: ZEW Survey (Econ. Sentiment) (Jul) GE: ZEW Survey (Econ. Sentiment) (Jul) UK: CPI (Jun), RPI (Jun) US: Trade Balance (May),	14 July NZ: Retail Sales (Apr), REINZ House Sales (Jun) AU: NAB Business Confidence (Jun) EU: CPI (Jun) UK: Jobless Claims Change (Jun) US: MBA Mortgage Applications (Jul 9), Import Price Index (Jun), Advance Retail Sales (Jun), Business	15 July NZ: Business PMI (Jun) AU: Westpac Consumer Confidence (Jul), DEWR Skilled Vacancies (Jul) JP: BOJ Target Rate CH: GDP (Q2), PPI (Jun) CPI (Jun) Retail Sales (Jun) Industrial Production (Jun) US: PPI (Jun), Initial Jobless Claims (Jul 10), Industrial Production (Jun)	16 July NZ: Consumer Prices (Q2) AU: New Motor Vehicle Sales (Jun) JP: Tertiary Industry Index (Apr) EU: Trade Balance (May) US: CPI (Jun), U. of Michigan Confidence (Jul) CA: Leading Indicators (Jun)
19 July NZ: Visitor Arrivals (Jun) JP Market Closed EU: Current Account (May) US: NAHB Housing Market Index (Jul)	20 July AU: Reserve Bank's Board July Minutes EU: Producer Prices (Jun) UK: M4 Money Supply (Jun) US: Housing Starts (Jun), Building Permits (Jun), ABC Consumer Confidence (Jul 18) CA: Bank of Canada Rate	21 July NZ: Credit Card Spending (Jun) AU: Westpac Leading Index (May) UK: Bank of England Minutes US: MBA Mortgage Applications (Jul 16) CA: Wholesale Sales (May)	22 July JP: All Industry Activity Index (May) EU: Industrial New Orders (May), Consumer Confidence (Jul) UK: Retail Sales Ex Auto Fuel (Jun) US: Initial Jobless Claims (Jul 17), Continuing Claims (Jul 10), Leading Indicators (Jun), Existing Home Sales (Jun), House Price Index (May), Existing Home Sales (Jun) CA: Retail Sales (May)	23 July AU: Import price index (Q2) EU: IFO - Business Climate (Jul), IFO - Current Assessment (Jul), IFO - Expectations (Jul) UK: GDP (Q2) CA: CPI, (Jun), Bank Canada CPI Core (Jun)

CENTRAL BANK RELEASES FOR 2010

JANUARY	FEBRUARY	MARCH	APRIL
6th - FOMC Minutes 7th - BoE 14th - ECB 19th - BoC 20th - BoE Minutes 25-26th - BoJ 27th - FOMC 28th - RBNZ	2nd - RBA 4th - BoE 4th - ECB 5th - RBA MP Statement 16th - RBA Minutes 17th - BoE Minutes 17th - FOMC Minutes 17-18th - BoJ 18th - ECB 23rd - BoJ Minutes	2nd - BoC 2nd - RBA 4th - BoE 4th - ECB 11th - RBNZ 11th - RBNZ MP Statement 11th - SNB 16th - FOMC 16th - RBA Minutes 17th - BoE Minutes 16-17th - BoJ 18th - ECB 23rd - BoJ Minutes	6th - RBA 6-7th - BoJ 8th - BoE 8th - ECB 12th - BoJ Minutes 20th - BoC 20th - RBA 21st - BoE Minutes 22nd - ECB 28th - FOMC 29th - RBNZ 30th - BoJ
MAY	JUNE	JULY	AUGUST
4th - RBA 6th - ECB 7th - RBA MP Statement 10th - BoE 10th - BoJ Minutes 18th - RBA Minutes 19th - BoE Minutes 20th - ECB 20-21st - BoJ 26th - BoJ Minutes	1st - BoC 1st - RBA 10th - BoE 10th - ECB 10th - RBNZ 10th - RBNZ MP Statement 14-15th - BoJ 15th - RBA Minutes 17th - SNB 18th - BoJ Minutes 23rd - BoE Minutes 23rd - FOMC 24th - ECB	6th - RBA 8th - BoE 8th - ECB 20th - RBA Minutes 20th - BoC 21st - BoE Minutes 22nd - ECB 29th - RBNZ	3rd - RBA 5th - BoE 5th - ECB 6th - RBA MP Statement 10th - FOMC 17th - RBA Minutes 18th - BoE Minutes
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
2nd - ECB 7th - RBA 8th - BoC 9th - BoE 16th - ECB 16th - RBNZ 16th - RBNZ MP Statement 16th - SNB 21st - RBA Minutes 21st - FOMC 22nd - BoE Minutes	5th - RBA 7th - BoE 7th - ECB 19th - RBA Minutes 19th - BoC 20th - BoE Minutes 21st - ECB 28th - RBNZ	2nd - RBA 3rd - FOMC 4th - BoE 4th - ECB 5th - RBA MP Statement 16th - RBA Minutes 17th - BoE Minutes 18th - ECB	2nd - ECB 7th - RBA 9th - BoE 9th - RBNZ 9th - RBNZ MP Statement 14th - FOMC 16th - ECB 16th - SNB 21st - RBA Minutes 22nd - BoE Minutes

***Notes:** Entries are the dates of central bank interest rate announcements for 2010, unless specified as minutes or otherwise.

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

BoJ data are available only to June.

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	2009	2010 F	2011 F	2012 F
Economic activity (annual % change)				
Private final demand	0.7	2.6	4.6	4.8
Household consumption	1.6	2.4	1.8	1.7
Dwelling investment	-4.6	7.4	5.0	1.7
Business investment	-0.8	1.7	13.3	14.9
Public demand	3.3	11.4	4.0	1.9
Domestic final demand	1.3	4.6	4.4	4.1
Inventories (contribution to GDP)	-0.5	0.6	0.0	-0.1
Gross National Expenditure (GNE)	0.7	5.2	4.4	4.0
Exports	1.4	2.1	6.0	7.3
Imports	-7.8	14.3	11.1	10.8
Net Exports (contribution to GDP)	2.0	-2.5	-1.3	-1.2
Gross Domestic Product (GDP)	1.3	2.8	3.6	3.9
Prices and wages (annual % change)				
Inflation: Headline CPI	1.8	2.8	2.9	3.1
Underlying *	3.7	2.8	2.8	3.1
Wages	3.6	3.3	4.0	4.2
Labour market				
Employment (annual % change)	0.3	2.2	1.9	2.0
Unemployment rate (annual average %)	5.6	5.2	5.1	4.9
External sector				
Current account balance: A\$bn	-51.7	-58.7	-67.9	-93.4
% of GDP	-4.1	-4.3	-4.6	-6.0

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

AUSTRALIAN INTEREST RATES	CURRENT	SEP 10 F	DEC 10 F	MAR 11 F	JUN 11 F	SEP 11 F
RBA cash rate	4.50	4.75	5.00	5.25	5.50	5.75
90 day bill	4.93	5.00	5.30	5.60	6.00	6.0
3 year bond	4.77	4.90	5.10	5.50	5.70	6.00
10 year bond	5.40	5.40	5.50	5.70	5.80	6.00
3s10s yield curve	0.63	0.50	0.40	0.20	0.10	0.00
3 year swap	5.24	5.30	5.50	5.90	6.10	6.40
10 year swap	5.92	5.95	6.05	6.25	6.35	6.55
INTERNATIONAL INTEREST RATES	CURRENT	SEP 10 F	DEC 10 F	MAR 11 F	JUN 11 F	SEP 11 F
RBNZ cash rate	2.75	3.25	3.50	3.75	4.25	4.8
NZ 90 day bill	3.06	3.67	3.75	4.17	4.67	5.17
US Fed funds note	0.25	0.25	0.25	0.25	0.25	0.5
US 2 year note	0.79	0.80	1.00	1.20	1.50	2.00
US 10 year note	3.32	4.10	4.00	3.80	3.80	4
Japan call rate	0.10	0.10	0.10	0.10	0.10	0.10
ECB refinance rate	1.00	1.00	1.00	1.00	1.00	1.00
UK repo rate	0.50	0.50	0.50	0.50	0.50	0.75

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



FORECASTS

FOREIGN EXCHANGE RATES	CURRENT	SEP 10 F	DEC 10 F	MAR 11 F	JUN 11 F	SEP 11 F
Australian exchange rates						
A\$/US\$	0.8498	0.88	0.90	0.92	0.94	0.94
NZ\$/US\$	0.6855	0.70	0.71	0.72	0.73	0.73
A\$/¥	77.68	83.6	86.4	89.2	92.1	94.0
A\$/€	0.7009	0.73	0.76	0.81	0.84	0.84
A\$/£	0.5777	0.63	0.63	0.62	0.62	0.61
A\$/NZ\$	1.2397	1.26	1.27	1.28	1.29	1.29
A\$/C\$	0.8753	0.87	0.87	0.88	0.88	0.90
A\$/CHF	0.9712	1.03	1.07	1.11	1.16	1.18
A\$/CNY	5.8030	5.92	5.97	6.03	6.16	6.12
A\$ Trade weighted index	67.10	71.5	73.8	75.9	77.1	76.9
International cross rates						
US\$/¥	91.42	95.0	96.0	97.0	98.0	100.0
€/US\$	1.2123	1.21	1.18	1.14	1.12	1.12
€/¥	110.83	115	113	111	110	112
£/US\$	1.4710	1.40	1.44	1.48	1.52	1.54
€/£	0.8241	0.86	0.82	0.77	0.74	0.73
US\$/C\$	1.0300	0.99	0.97	0.96	0.94	0.96
US\$/CHF	1.1429	1.17	1.19	1.21	1.23	1.25
US\$ index	87.17	87.9	89.0	90.7	91.4	91.8
Asia exchange rates						
US\$/CNY	6.8307	6.73	6.63	6.55	6.55	6.51
US\$/HKD	7.7900	7.78	7.75	7.75	7.75	7.75
US\$/IDR	9243	9500	9900	10000	9700	9500.00
US\$/INR	46.97	48.7	50.4	50.7	49.0	48.50
US\$/KRW	1251	1270	1345	1390	1320	1275.00
US\$/MYR	3.3025	3.35	3.45	3.50	3.40	3.4
US\$/PHP	46.690	47.3	48.8	49.5	48.0	47.3
US\$/SGD	1.4031	1.43	1.47	1.50	1.45	1.4
US\$/THB	32.460	32.90	33.90	34.30	33.50	33.00
US\$/TWD	32.423	32.50	33.30	33.70	32.70	32
US\$/VND	18978	19000	19000	19000	20000	20000
Pacific exchange rates						
PGK/US\$	0.3550	0.395	0.386	0.372	0.358	0.34
FJD/US\$	0.4989	0.507	0.508	0.514	0.517	0.51

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