

This Roundup covers critical economic data and publications used by NSW Treasury for monitoring and analysis.

Chart A: Domestic Interest Rates

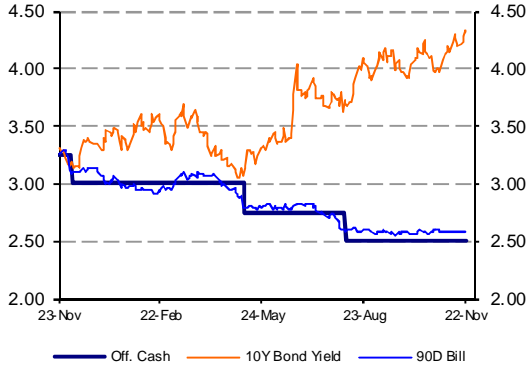


Chart B: Share Price Index

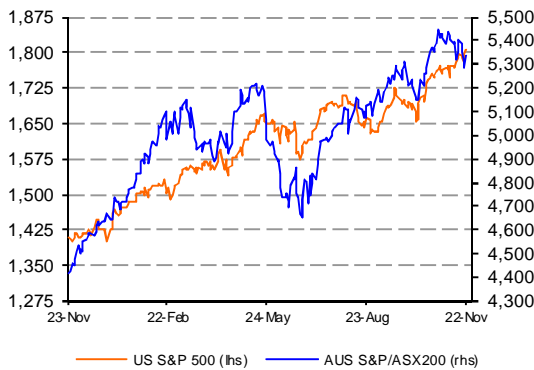
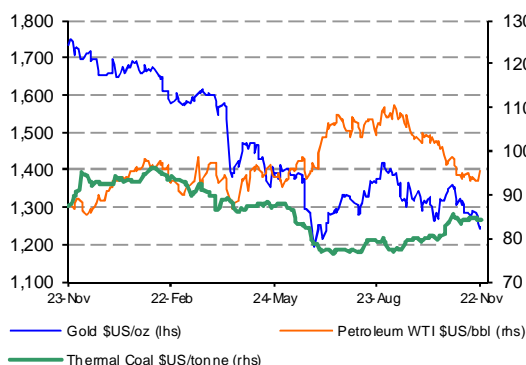


Chart C: Exchange Rate



Chart D: Commodities



Domestic Data Releases

In October, **Merchandise Imports** (value, nsa, y%ch) rose by 1.9% in NSW and rose by 0.3% in Australia.

The **RBA** released the **minutes** to its November **monetary policy** meeting, commenting in part:

"...Over the past month, growth in Australia's major trading partners remained around the average of the past decade. The pace of growth in China had increased a little through the year and was consistent with the Chinese Government's target of 7½ per cent...The Japanese economy continued to grow, although at a slower rate than the relatively strong pace seen in the first half of the year...The US economy appeared to have been growing at a moderate pace... Economic activity in the euro area had continued to recover, albeit at a moderate pace...Growth in Australia's major trading partners in 2013 was expected to be slightly below its decade average of around 4 per cent, before picking up to be slightly above average in 2014.

The Australian economy continues to expand at a below-trend pace in the September quarter...Growth in household spending looked to have remained below average in the September quarter...Conditions in the housing market continued to strengthen...Business confidence and business conditions had increased markedly over the past two months...Labour market conditions remained soft...CPI inflation picked up in the September quarter, to 1.0 per cent in seasonally adjusted...GDP growth was expected to remain below trend, at close to 2½ per cent, through the next year. Growth was then expected to pick up to above trend by the end of 2015."

Markets

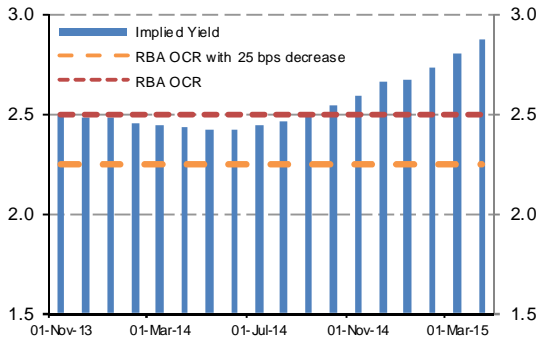
The **Australian stock market** fell 1.2% since the previous Friday, while the **New York stock exchange** rose 0.4%.

	Value	Change on Year	Change on Week
S&P 500	1,804.8	28.1 %	0.4 %
ASX200	5,335.9	20.9 %	-1.2 %
Australian Dollar (USD)	0.9177	-11.7 %	-1.8 %
TWI	70.50	-8.6 %	-1.5 %
Oil (USD/bbl)	95.44	9.2 %	1.7 %
Gold (USD/oz)	1,246.25	-28.1 %	-3.2 %
Thermal Coal (USD/tonne)	84.24	-3.7 %	-0.4 %
Australian 10-yr bond	4.32%	100.7 bps	11.6 bps
US 10-yr bond	2.78%	110.0 bps	8.0 bps
Australian 90-day bill	2.58%	-68.0 bps	0.0 bps

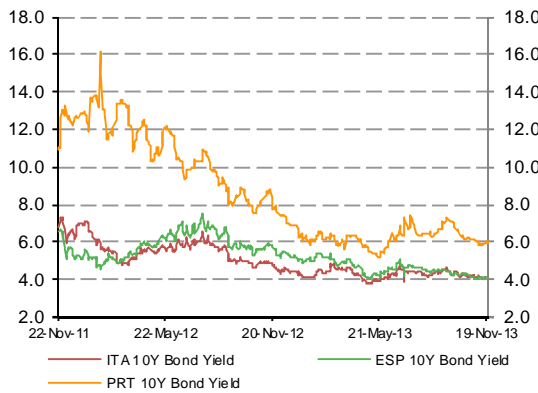
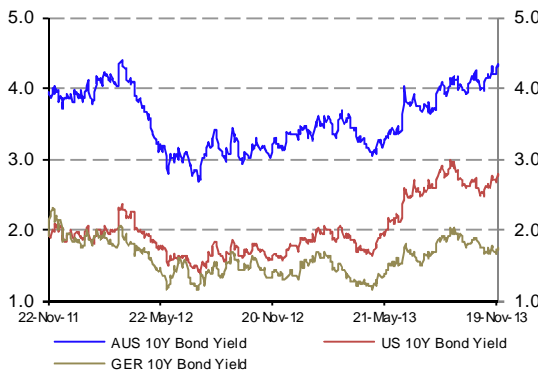
Upcoming Domestic Data Releases (25/11 – 29/11)

- The ABS will release data on the state accounts, population projections, construction work done and private new capital expenditure.
- HIA will release its affordability report and new home sales report.

Chart E: Interest Rate Expectations



Charts F & G: International Bond Yields



Market Interest Rate Expectations

Current **market expectations**, as shown by the implied yield curve on ASX 30 day interbank cash rate futures, **favour no change** by the RBA at its next meeting.

According to the **ASX target rate tracker**, as of the 22 of November, there is a 93% expectation that the RBA will leave the cash rate unchanged at 2.50% at its December 3rd policy meeting.

International Bond Yield Spreads

10-yr bond yield	Yield	Change on Year	Change on Week	Spread on 10-yr US bond week end	Spread on 10-yr US bond year ago
Australian (AUS)	4.32%	100.7 bps	11.6 bps	154.0 bps	163.3 bps
United States (US)	2.78%	110.0 bps	8.0 bps	-	-
Germany (GER)	1.75%	31.3 bps	4.1 bps	-103.3 bps	-24.6 bps
Italy (ITA)	4.08%	-61.6 bps	-1.4 bps	129.7 bps	301.3 bps
Portugal (PRT)	5.92%	-188.2 bps	2.8 bps	313.9 bps	612.1 bps
Spain (ESP)	4.11%	-149.1 bps	3.8 bps	132.8 bps	391.9 bps

International Data Releases

The **US consumer price index** in October dropped 0.1 per cent from September to be, in non-seasonally-adjusted terms, 1.0 per cent higher than a year ago.

Retail sales in the **US** rose by 0.4 per cent in October, to be 3.9 per cent higher than a year ago.

At its November **monetary policy** meeting, the **Bank of Japan** announced its intention to purchase 60-70 trillion yen per annum of Japanese Government bonds in order to achieve its inflation target of 2% year on year.

German real GDP grew by 0.3 per cent in the September quarter, compared to the 0.7 per cent growth in the previous quarter.

Upcoming International Data Releases (25/11 – 29/11)

- **US:** pending home sales, housing starts, consumer confidence
- **UK:** GDP
- **Japan:** inflation, industrial production
- **Germany:** inflation, unemployment
- **EU:** unemployment, confidence surveys