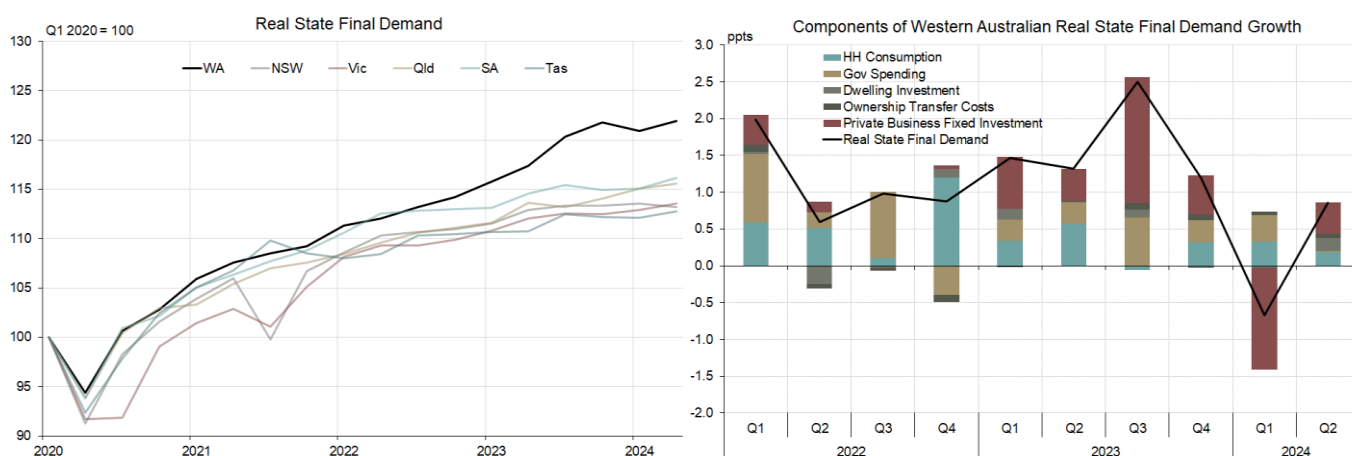


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- Western Australian real state final demand rose 0.9% in Q2 2024, to be up 4.0% through the year.
- The Western Australian wage price index rose by 0.8% in Q2, to be 4.2% up through the year.
- Employment in WA rose 13.4k in July, while the unemployment rate of 3.7% remained the lowest of the states.
- Annual growth in the Australian monthly CPI indicator slowed to 3.5% in July from 3.8% in June.

WESTERN AUSTRALIAN Q2 STATE FINAL DEMAND

- Western Australian, along with South Australia, saw the fastest real state final demand growth in the June quarter, with demand rising 0.9%. Year-ended growth eased to 4.0% from 4.1% in Q1, however, Western Australian growth has been by far the strongest of all the states since the beginning of 2020.
- Quarterly growth was led by a 2.1% increase in private business fixed investment which contributed 0.4 percentage points (ppts) to the headline due to increased mining sector investment and spending on renewable energy projects.
- A 0.4% increase in household consumption was the next biggest contributor, adding 0.2ppts to growth in the quarter.
- Dwelling construction rose 4.7% in the quarter, adding a further 0.2ppts to headline growth. Real estate ownership transfer costs rose 3.6% and contributed another 0.1ppts.
- Spending on renewable energy and transport projects by state and local government public corporations was the biggest driver of the 2.4% increase in government gross fixed capital formation that contributed 0.1ppts to growth.
- General government consumption was the weakest segment of real state final demand, falling 0.5% in the quarter as a 2.0% decline in state and local government expenditure was only partly offset by increased federal government spending on social benefits programs. The decline in government consumption shaved 0.1ppts from growth in the quarter.



Source: ABS

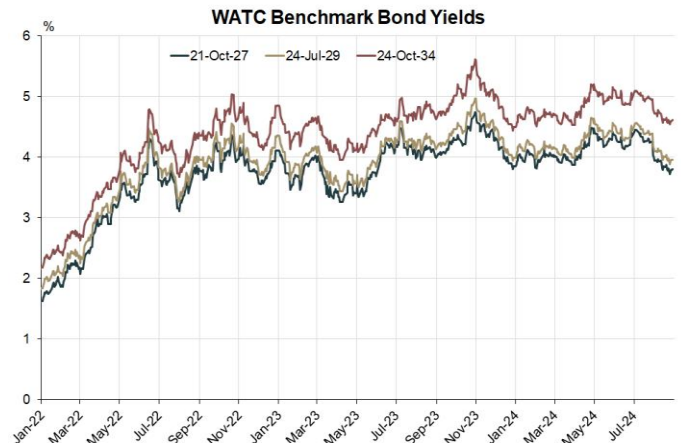
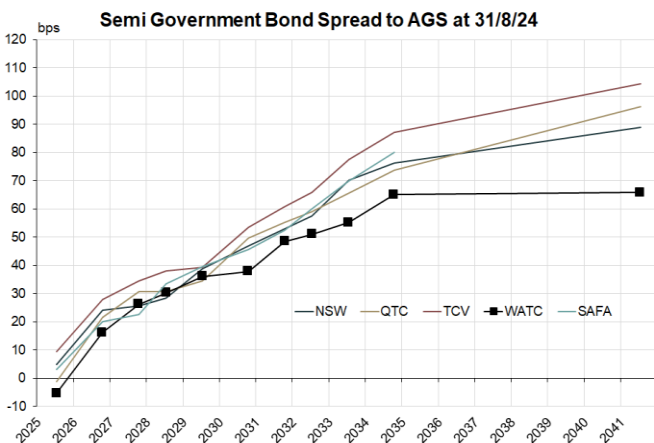
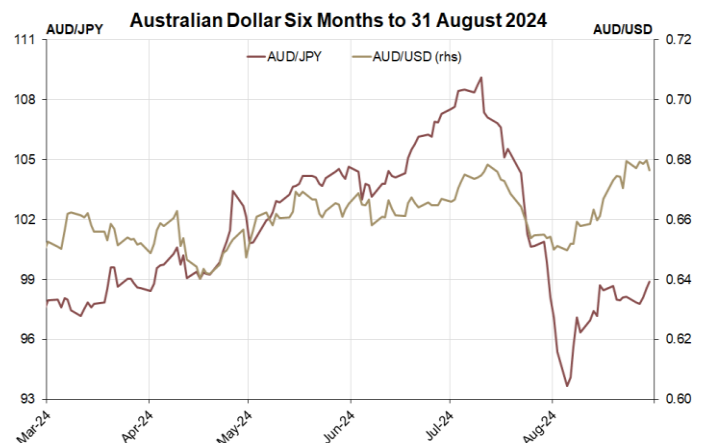
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6765 (↑3.4%)
90-Day Bank Bills	4.39	(↓10 pt)	AUD/JPY	98.89 (↑0.8%)
3-year Australian Government Bond	3.55	(↓20 pt)		
10-year Australian Government Bond	3.97	(↓15 pt)	ASX200	8092 (↓0 pt)

MARKET SUMMARY

- The RBA Board kept the cash rate target unchanged at 4.35% at its August meeting but continued to say that it ‘remains resolute in its determination to return inflation to target and will do what is necessary to achieve that outcome’. Governor Michele Bullock continues to say that market pricing for an interest rate cut before the end of the year is overdone and has not ruled out a further increase, although this seems unlikely.
- Australian Government bond yields slipped in August, falling to the lowest levels since mid-2023 before edging higher again late in the month. The decline in Aussie bond yields was partly driven by falling US Treasury yields as Fed Chair Jerome Powell signalled that the FOMC will cut policy interest rates at its September meeting. Domestically, traders moved to fully price in an RBA cash rate cut in December before unwinding some of that pricing late in the month following the slightly higher-than-expected monthly CPI indicator for July.
- The AUD remained weak in early August after falling in July and fell to a one-year low against the Japanese yen, but recovered to appreciate against all the major currencies during the month.
- Australian equities closed at a record high on 1 August before falling sharply along with other developed country markets. The ASX 200 recovered over the remainder of the month to close almost unchanged.

WATC Benchmark Bond Yields			
Maturity	Yield 31/8/2024	Spread to AGS 31/8/2024	
23 July 2025	4.15 (↓5 pt)	-5 pt (↓3 pt)	
21 October 2026	3.84 (↓22 pt)	+16 pt (↓1 pt)	
21 October 2027	3.80 (↓23 pt)	+26 pt (↓3 pt)	
20 July 2028	3.85 (↓22 pt)	+30 pt (↓3 pt)	
24 July 2029	3.96 (↓22 pt)	+36 pt (↓4 pt)	
22 October 2030	4.11 (↓22 pt)	+38 pt (↓4 pt)	
22 October 2031	4.27 (↓20 pt)	+48 pt (↓5 pt)	
21 July 2032	4.36 (↓18 pt)	+51 pt (↓2 pt)	
20 July 2033*	4.45 (↓18 pt)	+55 pt (↓3 pt)	
24 October 2034	4.62 (↓17 pt)	+65 pt (↓3 pt)	
23 July 2041	4.96 (↓24 pt)	+66 pt (↓5 pt)	

Spreads are to nearest Commonwealth Bond. * Green bond.



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