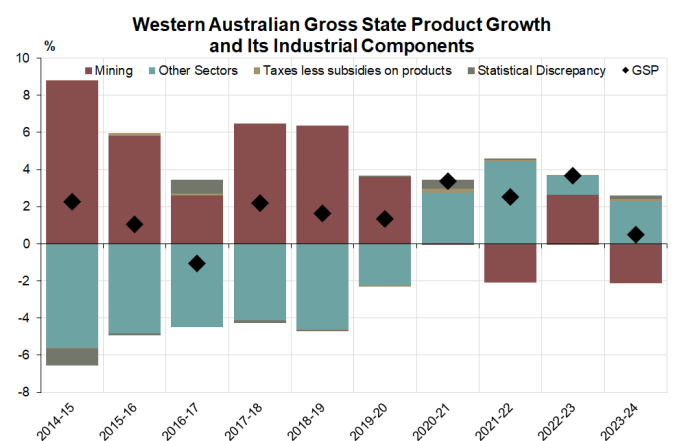
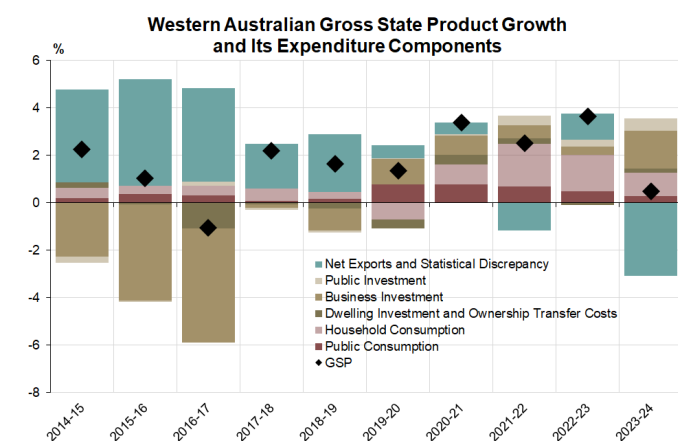


Western Australian Data Highlights

- Western Australian gross state product rose by 0.5% in 2023-24, with weather conditions dragging on mining output.
- The [wage price index](#) in Western Australia rose by 1.2% in Q3 (unadjusted), to be 3.5% up through the year.
- Western Australian [employment](#) ebbed 1.1k in October, while the unemployment rate ticked up to 4.0%.
- Perth home prices picked up by 1.1% in November, the most of all the capital cities.

2023-24 Gross State Product

- Western Australian gross state product rose by 0.5% in 2023-24, which is significantly less than in the previous financial years and slower than gross domestic product growth of 1.4% recorded for Australia as a whole in 2023-24.
- The sharp slowdown in gross state product growth in 2023-24 resulted from the negative contribution of net exports, which subtracted 3.8ppts from growth due to a 3.6% drop in goods exports as well as a surge in imports of goods (+10.3%) and services (+27.7%).
- At the same time, domestic growth remained strong in Western Australia, with state final demand rising by 5.8% in 2023-24, significantly faster than the 3.2% registered for the previous financial year. This was also the fastest state final demand growth of all the states, significantly surpassing Queensland (+3.1%), Victoria (+2.0%), South Australia (+1.8%) and New South Wales (+1.6%).
- The composition of domestic growth was broad, with positive contributions from all the major spending categories. Business investment added most to growth (+1.6ppts), thanks to a 13.4% rise driven by major projects in the resource sector. It was followed by household consumption which added 1.0ppts to growth, after rising by 3.1%. Dwelling investment and ownership transfer costs added just 0.2ppts combined. Government spending made a solid contribution to growth with public sector investment rising 17% and adding 0.5ppts to growth while a 2.3% rise in government consumption spending contributed +0.3ppts.
- The negative contribution from the goods exports reflected reduced activity in the mining sector, with gross value added falling 2.1% and detracting 1.0ppts from the production measure of gross state product growth. According to the Australian Bureau of Statistics, the lower output in mining was the result of weather disruptions that impacted operations and logistics in metal ores (mainly iron ore) and fossil fuel extraction. Oil and gas production was additionally impacted by some maintenance activities. The lower output in mining was offset by stronger production in other sectors, with the strongest positive contribution coming a 5.4% increase in construction activity which added 0.3ppts, and a 4.5% rise in healthcare and social assistance which contributed 0.2ppts.



Source: Australian Bureau of Statistics.

Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6512	(↓1.1%)
90-Day Bank Bills	4.43	(↑1 pt)	AUD/JPY	97.51	(↓2.6%)
3-year Australian Government Bond	3.91	(↓11 pt)			
10-year Australian Government Bond	4.34	(↓16 pt)	ASX200	8436	(↑276 pt)

Market Summary

- As expected, the RBA left its interest rates unchanged in November, including the cash rate target at 4.35%.
- Australian Commonwealth bond yields and WATC yields declined in November, following US benchmark yields lower, after steep increases around the US election sparked by concerns over a rise in inflation and public debt should Donald Trump's campaign plans be implemented.
- The Australian dollar depreciated against the stronger greenback and Japanese yen in November. The US dollar benefitted from easing expectations for fed funds rate cuts after the US election, while the Japanese currency was supported by mounting expectations for another interest rate hike by the Bank of Japan. Sentiment towards the AUD was also weakened by concerns over the economic outlook of Australia's largest trading partner China, as Chinese government stimulus measures remain underwhelming.
- The ASX 200 rose by 3.4% in November, reaching a new record high towards the end of the month. The stock market rally reflected improvement in global market sentiment, supported by hopes for faster US growth and deregulation after Donald Trump was elected as the next US President.

WATC Benchmark Bond Yields				
Maturity	Yield 29/11/2024		Spread to AGS 29/11/2024	
21 October 2026	4.14	(↓7 pt)	+14 pt	(↓1 pt)
21 October 2027	4.12	(↓11 pt)	+19 pt	(↓1 pt)
20 July 2028	4.19	(↓11 pt)	+26 pt	(0 pt)
24 July 2029	4.29	(↓14 pt)	+35 pt	(↓2 pt)
22 October 2030	4.43	(↓17 pt)	+37 pt	(0 pt)
22 October 2031	4.58	(↓17 pt)	+43 pt	(↓2 pt)
21 July 2032	4.66	(↓19 pt)	+44 pt	(↓5 pt)
20 July 2033*	4.75	(↓17 pt)	+47 pt	(↓3 pt)
24 October 2034	4.93	(↓18 pt)	+61 pt	(↓1 pt)
23 July 2041	5.25	(↓21 pt)	+59 pt	(↓4 pt)

*Green bond.

