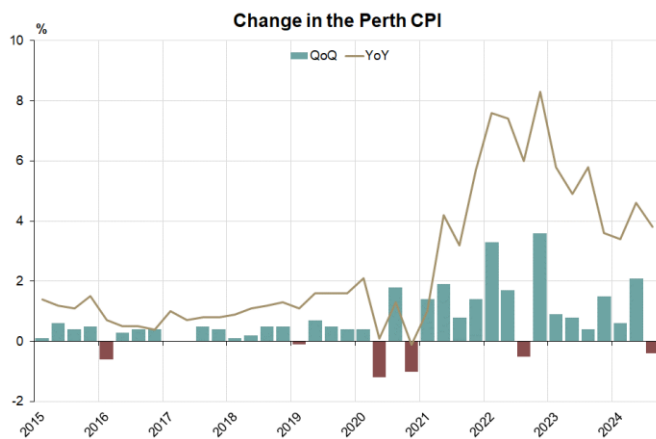


Western Australian Data Highlights

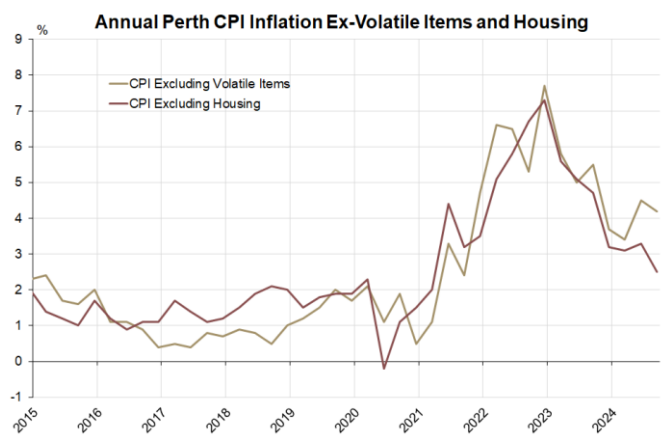
- The Perth CPI declined by 0.4% in Q3, but rose by 3.8% through the year.
- Western Australian retail sales volumes rose 0.9% in Q3, which was the strongest rise of all states.
- The Western Australian unemployment rate declined to 3.6% in September, the lowest level of all states.
- Western Australian dwelling approvals surged by 11.4% in September, to be up by 73.0% through the year.

Q3 2024 Perth CPI

- The Perth CPI declined by 0.4% in Q3 2024, dragged down by a 56.3% plunge in electricity costs due to lower out-of-pocket expenses after the WA State Government rolled out another round of household electricity credits and the Commonwealth Government introduced its Energy Bill Relief Fund program.
- Apart from lower electricity costs, the major contributor to the decline of Perth CPI in Q3 2024 was automotive fuel, which saw a 4.7% fall in prices in the quarter. This was partly offset by higher costs of new dwelling purchases by owner occupiers (3.9%), rents (2.7%), property rates and charges (4.7%), and international holiday travel and accommodation (2.8%).
- The annual rate of Perth CPI inflation declined by 0.8ppts to 3.8%, which is still above the RBA's target range of 2-3%, but 4.5ppts lower than the peak of 8.3% reached in Q4 2022.
- Housing costs have been the key driver of Perth CPI inflation over the past year, with the cost of new dwelling purchases by owner occupiers up 19.1% YoY, while rents rose by 10.0% YoY. Energy bill subsidies were the biggest offset to these increases with electricity costs down 19.2% YoY. Annual CPI inflation excluding housing fell to 2.5%, the lowest level since Q1 2021.
- The underlying inflation measures remain higher than the headline rate of inflation. Excluding volatile items, annual Perth CPI inflation ebbed 0.3ppts to a still elevated 4.2%. Core inflation excluding food and energy ticked up 0.1ppts to 4.9%, which is the highest level since Q2 2023.
- Inflation for services picked up 0.1ppts to a one-year high of 4.5%, while inflation for goods dropped to 3.1%. Price growth for non-tradables (5.7%) is still significantly higher than for tradables (0.5%).



Source: Australian Bureau of Statistics



Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6582	(↓4.8%)
90-Day Bank Bills	4.42	(↓2 pt)	AUD/JPY	100.07	(↑0.8%)
3-year Australian Government Bond	4.02	(↑48 pt)			
10-year Australian Government Bond	4.50	(↑53 pt)	ASX200	8160	(↓110 pt)

Market Summary

- There was no RBA Board meeting in October.
- Australian Government bond yields rose along with global bond yields during October. The rise in US yields began after the better-than-expected US non-farm payrolls report drove a sharp repricing of Fed rate cut expectations. This, along with higher-than-expected core CPI inflation, saw 25bps of Fed cuts removed from futures market pricing for the remainder of 2024 and 70bps of cuts removed from the futures curve out to the end of 2025. Australian Government bond yields followed US Treasury yields higher and received a further boost from the release of another strong Aussie employment report, which saw market pricing for a 25bps RBA cash rate cut pushed out from February to May 2025. The three-year Australian Government bond yield had its biggest monthly increase since June 2023, while 10-year yield rose the most since August 2022.
- The Australian dollar was one of the weakest members of the G10 currency basket in October, ahead of only the New Zealand dollar and Japanese yen. The AUD hit a three-month high against the Japanese yen in late October, before edging back. The Aussie fell to a twelve-week low against the greenback, which was the strongest of the G10 currencies over the month.
- Australian equities fell, along with markets elsewhere, as geopolitical risks, higher bond yields and US election uncertainty threw a cloud over risk appetite following several months of strong increases in global markets. Concerns over the outlook for the Chinese economy was a further weight on the ASX 200.

WATC Benchmark Bond Yields				
Maturity	Yield	Change	Spread to AGS	Change
21 October 2026	4.21	(↑42 pt)	+15 pt	(↓1 pt)
21 October 2027	4.23	(↑48 pt)	+20 pt	(↓3 pt)
20 July 2028	4.30	(↑47 pt)	+26 pt	(↓5 pt)
24 July 2029	4.43	(↑47 pt)	+36 pt	(↓3 pt)
22 October 2030	4.60	(↑48 pt)	+37 pt	(↓2 pt)
22 October 2031	4.76	(↑47 pt)	+45 pt	(↓6 pt)
21 July 2032	4.85	(↑49 pt)	+49 pt	(↓3 pt)
20 July 2033	4.92	(↑47 pt)	+50 pt	(↓3 pt)
24 October 2034	5.11	(↑48 pt)	+62 pt	(↓4 pt)
23 July 2041	5.45	(↑41 pt)	+63 pt	(↓1 pt)

