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ANZ Australian Economics Weekly

Retail spending highlights inflationary risks

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Inside:

Authors:

Tony Pearson
Head of Australian Economics
+61 3 9273 5083
Tony.Pearson@anz.com

Mark Rodrigues
Senior Economist, Australia
+61 3 9273 6286
Mark.Rodrigues@anz.com

Cherelle Murphy
Senior Economist, Markets
+61 3 9273 1995
Cherelle.Murphy@anz.com

Riki Polygenis
Senior Economist, Australia (acting)
+61 3 9273 4060
Riki.Polygenis@anz.com

Amber Rabinov
Economist, Australia
+61 3 9273 4853
Amber.Rabinov@anz.com

Wain Yuen
Economist, Industry
+61 3 9273 6295
Wain.Yuen@anz.com

Our Vision:

For Economics@ANZ to be the most respected, sought-after and commercially valued source of economics research and information on Australia, New Zealand, the Pacific and Asia.

Economic wrap

- Uncertainty around the economic effects of global financial market volatility kept the Reserve Bank on the sidelines this week. Notwithstanding this, the case for further monetary tightening is building.
- This week's retail data highlight two factors that are weighing on the Reserve: very strong consumer demand and elevated price pressures.
- The trigger point for any near term action will be the September quarter CPI, released later this month.

Market matters

- Movements on interest rate markets this week highlighted the divergent monetary policy expectations between the US and Australia, with the former likely to see further cuts and hikes looking increasingly likely in the latter.
- This drove the A$ to a fresh 18-year high against the US$. The A$ was also supported higher gold and base metals prices and the rally on the local share market.
- The ASX 200 reached a new record high mid week, taking its lead from offshore markets. Equity markets appeared to take comfort from announcements by major banks in the US and Europe about the extent of sub-prime losses.

Economy in focus — Buoyant outlook for retail spending in 2008

Our spotlight on key issues and developments in the Australian economy.

- Retail spending has been strong in recent years for a very simple reason – household disposable incomes after tax and interest have been rising rapidly, and households have not displayed much inclination to save for a rainy day. We expect that conditions will remain favourable for continued solid spending by households, although growth will ease a touch from its recent highs.

New publications from Economics@ANZ

Available at www.anz.com/go/economics

- *Hong Kong Dollar Update*, October 2007.
- *ANZ Housing Snapshot*, October 2007.
- *ANZ States and Territories Economic Update*, December quarter 2007.

Riki Polygenis
Senior Economist, Australia
(Acting)

Economic wrap

Retail spending highlights inflationary risks

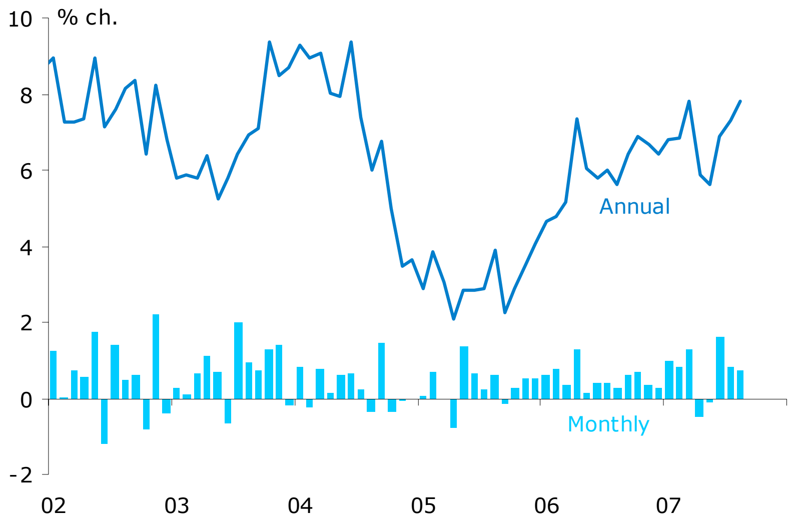
The Reserve Bank of Australia left the official cash rate unchanged this week, a decision that was largely expected given the uncertainty surrounding developments in financial markets and conditions in the US housing market. But retail spending data this week also highlighted the strength of demand in the Australian economy and the upside inflationary risks, suggesting further monetary policy tightening in coming months is not entirely off the cards.

Retail spending is running at the strongest annual pace in three years

Nominal retail sales increased by 0.7% in August, lifting annual growth to 7.8%, the strongest rate in three years. This result followed a surge in sales of 1.6% in June and 0.8% in July. The stronger retail sales numbers indicate that Australian household confidence remains in good shape in the face of a number of headwinds including a 25bp rise in interest rates to 6.5%, global financial markets turmoil and a related drop in equity markets in August. Clearly, persistent solid gains in employment combined with personal income and superannuation tax cuts are supporting consumer spending power. (For more information on trends in retail sales, please see the *In Focus* article on page 6).

Of course, the strength in nominal retail sales could also in part be a function of higher retail prices. While petrol prices fell in the September quarter (our preliminary estimate is a 4.4% fall), food prices are expected to have been higher in the quarter. Either way, the case for another interest rate rise is building. We believe that the RBA will remain on the sidelines until there are further signs that financial markets have stabilised. However, a strong outcome for consumer price inflation in the September quarter (due 24 October) will make the RBA's November board meeting very interesting indeed.

Nominal retail sales surge



Source: Australian Bureau of Statistics

The likelihood of higher interest rates will delay the recovery in dwelling construction

One area of the economy that isn't performing so strongly is dwelling construction. The housing demand/supply balance continues to tighten, and building approvals released this week imply little relief for embattled first-homebuyers and renters. We estimate that underlying housing demand will reach 182,000 in 2007-08 and with August dwelling approvals running at an annualised 'completions rate' of just 142,000, the situation could well get worse before it gets better. But while shortages are intensifying, the prospect of higher interest rates and builder margin compression continue to delay recovery in dwelling construction. Eventually, market signals will prompt the much needed supply response, but in the meantime, expect to see further upward pressure on house prices and rents.

Key points to note from this week's data releases are:

- The Reserve Bank of Australia left the official **cash rate** unchanged at its October meeting.

- Nominal **retail sales** rose by 0.7% in August, lifting through the year growth to 7.8%, the strongest annual rate of growth in three years. This result follows a surge in sales of 1.6% in June and 0.8% in July.
- The **trade balance** deteriorated significantly to a deficit of $1.6bn in August, up from $883mn in July. The widening of the deficit was driven by a strong rise in imports (5.5%), against a smaller rise in exports (1.8%).
- The total number of **dwelling approvals** fell by 1.7% in August to be down 0.1% over the year. Within the total, private sector house approvals rose by 0.9% in the month, while 'other' dwelling approvals slumped by 3.1%
- The RBA **Index of Commodity Prices** rose by 3.4% in US$ terms in September, reflecting a 10.4% increase in rural prices and a 1.4% increase in non-rural prices. In A$ terms, the total index rose increased by 1.5% in the month.
- The Ai Goup-PWC **Performance of Manufacturing Index** fell by 1.7 points to 50.4 in September. While this was the second consecutive monthly fall, the index has remained above the critical 50 barrier separating expansion from contraction for the past 16 months.
- In contrast, the Ai Group-CBA **Performance of Services Index** rose by 4.8 points to 56.4 in September.
- The **VFACTS** measure of new motor vehicles sales fell by 5.3% in original terms in August, to be 4.4% lower over the year. In seasonally-adjusted terms, we estimate that new motor vehicle sales fell by 1.2% in the month.

Data preview

Mark Rodrigues
Senior Economist, Australia

10th October: Housing Finance (Aug)

ANZ forecast: +2.0% MoM, +0.9% YoY, Last: -4.1% MoM, -3.1% YoY

Recent housing finance readings have been muddied by the enhanced undeducted superannuation contribution limits that applied to 30 June. Abstracting from this, the underlying momentum in housing finance remains strong, evidenced by the ongoing strength of the home sales market in recent months. An ongoing tightening of the housing demand/supply balance will place further upward pressure on house prices and rents in the year ahead and maintain the solid underlying momentum in housing finance.

11th October: Labour Force (Sep)

Employment: ANZ forecast: +25,000, Last: +31,900

Unemployment rate: ANZ forecast: 4.4%, Last: 4.3%

Participation rate: ANZ forecast: 65.2%, Last: 65.1%

The labour force has always been one of the toughest forecasting gigs on the economists' calendar, but it has become even more challenging in recent years. Intellectually, the case should be pretty straightforward: the tighter the labour market gets – and bear in mind that the unemployment rate is now at generational lows and the labour force participation rate at historic highs – the more likely it is that capacity constraints will kick in, slowing employment growth to growth in the labour force.

Yet economists applying this logic in recent years have continued to be confounded by the strength of employment growth. In the past year alone, more than 270,000 new jobs have been created, an increase of 2.6%. The problem (for forecasters, not the economy!) is that labour supply has proved much more resilient than anyone thought. Over the year to August, the labour force expanded by around 237,000 workers or 2.2%, accounting for the majority of the increase in employment over this period.

We expect that this can continue for sometime yet, not least because of the Government's *Welfare to Work* changes and higher rates of international migration. In an environment where demand for labour is likely to remain strong, this should see healthy employment gains over the coming year.

Cherelle Murphy
Senior Economist, Markets

Market matters

Australia and the US – world's apart

Financial markets are increasingly entertaining the idea of another rate rise in Australia…

Australian rates rose sharply as the rally that followed the early August sell-off continued to be unwound. The Reserve Bank, as expected, left the benchmark cash rate unchanged at 6.5% but markets have now started to price a 25bp hike with a greater probability, putting around a 60% chance of a further move by year end. At the end of last week the market had priced just a one in three possibility of a rate hike by the December. Inflation concerns continued to build, despite the global credit squeeze, thanks to some stronger than expected domestic economic data. The 3-year government bond yield moved to a 7-year high of 6.51%, up 7bps, but the 10-year government bond yield rose just 1bp. The 3s10s yield curve, which had steepened in line with the US curve through September, flattened back towards the -32bps level.

…in stark contrast to expectations of further cuts in the US…

The US 2s10s yield curve also flattened a little over the course of the week, coming off the highs of last week of 64bps to be 54bps by Thursday. Ahead of the US non-farm payrolls report markets became a little nervous about the call for aggressive rate cuts from the US Federal Reserve. At the end of last week, the market was leaning towards three 25bp rate cuts from the Federal Reserve over the coming year. The outcome of the payrolls data, (expected to be a 100K increase in September) will be crucial to the market's view of the Fed's likely monetary policy path. The fall in payrolls in August was likely to have contributed to the Federal Reserve's decision to cut interest rates by 50bps in September.

The differences in market pricing in Australia and the US reflects the divergent outlooks for the Australian economy relative to the US economy. The spread between the 2-year bond yield in Australia and the equivalent instrument in the US opened up to 2.54% this week, the widest in 3 years.

Elsewhere in fixed income markets, inter-bank rates moved a little higher. This suggests investors are still demanding a higher return for the same level of risk and/or banks' precautionary demand for cash is still higher than normal. The spread between 3-month BBSW and 3-month OIS rates in Australia was around 32bps at the end of last week and has crept marginally wider in recent days. There were similar movements in the equivalent spreads in the US over the past couple of sessions.

Also, corporates, both in Australia and abroad have been reluctant to go to the debt capital markets for funding. Investor appetite for corporate debt remains low.

The RBA's final measures to further extend the range of securities it will accept for short-term loans comes into play on Monday. The RBA will accept residential mortgage-backed securities and asset-backed commercial paper under its repurchase agreements. This should further enhance the functionality of the local interest rate markets and encourage more normal lending and borrowing behaviour.

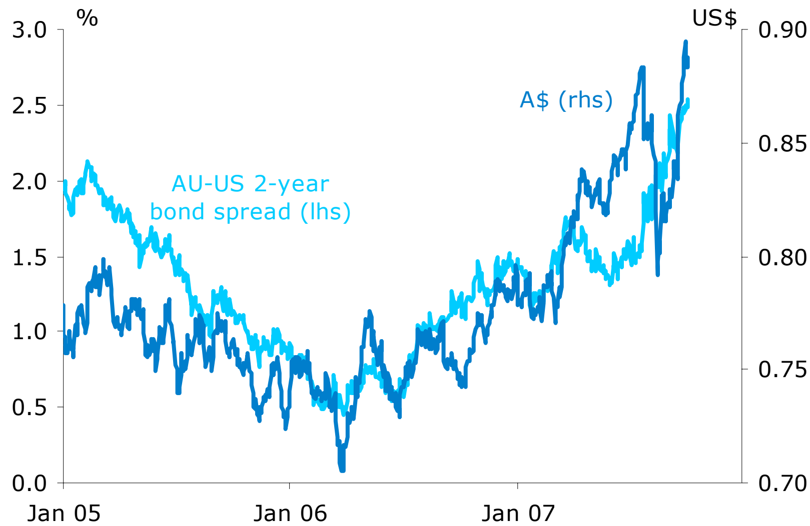
A$ finds a new 18-year high

…driving the A$ back above US$0.89

With the diverging monetary policy views for the Australian and US economies resulting in a widening in interest rate spreads in Australia's favour, it was no surprise to see the A$ continue its six week rally. As shown in the chart below, the A$ has show a strong positive coincident relationship with the AU-US 2-year government bond spread over recent years, in contrast to previous years when there used to be more of a lag between yield differentials and the A$. It wasn't just rate differentials acting in the A$'s favour this week, with the high point of the currency of around US$0.8950 mid-week coinciding with a 27-year peak in the gold price, and a continuation of the rally in base metal prices. The record high in US and local equity markets mid-week was also a positive for the A$ as it signalled optimism about the economic outlook. The A$ was also strong on the crosses, reaching a 10-week high around 0.6295 against the €, a 10-week high around 103.80 against the ¥ and 2-year high around 0.4380 against the £.

The extremes recorded earlier in the week had started to ease by week's end as the US$ started to recover. This was in line with consolidation in global equity markets and commodity markets. As in rates markets, currency players were waiting for the US non-farm payrolls release for further direction. We think the A$ may be able to rally further in the current environment as the risks lie towards further rate hikes from the RBA and upgrades to commodity prices.

The A$ is being supported by Australia's increasing yield advantage



Source: Bloomberg

Equity markets comforted by sub-prime write-downs

Global equity markets rewarded companies for coming clean on sub-prime losses

The record high in the Dow Jones Industrial Average this week came despite more large US banking groups coming clean about the impact of the US sub-prime mortgage market problems and the associated credit squeeze on their Q3 profits. European markets were also up over the week despite similar confessions from some of the biggest banking groups. Deutsche Bank AG, which revised down its pre-tax profit by more than 20% in Q3 from the same period last year saw its share price rise 5.7% on Germany's DAX index over the week.

Investors globally took confidence from comments from these firms, which suggested the worst was over. As RBA Governor Glenn Stevens recently predicted, *"the losses are embarrassing rather than fatal".*

Optimism about the still-positive outlook spilled over into the local market. Over the week, the ASX 200 was trading up around 0.6% as we went to print, although off its mid-week record high of 6680.3. Resource stocks and financial companies were both firmer over the week reflecting positive developments in those sectors.

Some local factors that also helped boost the market included the Federal Government's decision to approve, with conditions, Gunns Ltd's $1.7bn pulp mill proposal in Tasmania. That led to a 25% rise in that company's share price.

Tony Pearson
Head of Australian Economics

Amber Rabinov
Economist, Australia

Economy in focus: Buoyant outlook for retail spending in 2008[1]

Strong income growth has supported strong spending

Retail spending has grown strongly in recent years. Over the year to June 2007 the value of retail sales increased by a robust 6.9%; over the year to June 2006 it grew by 5.8%. Data for July and August suggest the pace of spending has accelerated into 2007-08, with growth over the year to August of 7.8%, the strongest rate of increase since mid 2004. Spending has been strong for a very simple reason – household disposable incomes after tax and interest have been rising rapidly, and households have not displayed much inclination to save for a rainy day.

The outlook for retail spending depends most directly on prospects for household income

The outlook for retail spending going forward depends crucially on prospects for household disposable income. And the signs are generally favourable. Continued strong economic growth will support further gains in employment. Wages are expected to continue to rise at around their current rate of 4% pa. Disposable incomes will be additionally boosted by a further round of personal income tax cuts from 1 July 2008, and there is a high probability tax cuts on top of these will be announced during the forthcoming election campaign.

Higher interest rates will eat into disposable income

Having said that, there a couple of factors which could eat into the income households have available for spending. The first is that household interest rates look set to rise again. The Reserve Bank of Australia lifted the cash rate by 25bp to 6.50% in early August. That was the ninth increase in the tightening cycle which began in May 2002, and took the cash rate to its highest level in 10 years.

Even after that increase the Reserve Bank has continued to talk tough, warning about the risks of rising medium term inflation pressures. The problem is that the Australian economy has been growing continuously for 16 years, the longest period of uninterrupted expansion since Federation. In the late part of the expansion cycle it is not unusual to run into capacity constraints and for inflationary pressures to begin to rise. The three decade low in the unemployment rate is one indication of this. In addition, recent data suggest the economy is running faster than can be sustained without generating inflationary pressures. Over the year to the June quarter the economy grew by 4.2%. After allowing for the still drought-affected rural sector, non-farm economic growth was a very potent 5.2%. This is well above the long run non-inflationary growth rate of around 3 to 3¼%. And finally, a range of consumer items are displaying continued upward price pressures, including oil, food items such as wheat and dairy, and housing rents. With core inflation already running in the top half of the RBA target band, the risk of an upward surprise on the inflation front is very real. We believe the RBA will act to dampen the medium term inflationary risks by raising the cash rate by another 25bp within the next six months, most likely in early 2008, but it could be sooner.

Interest rates will also be affected by the recent period of financial market volatility. In late July global financial markets were hit with a "Mexican wave" of uncertainty related to rising delinquencies on sub-prime mortgages in the USA. Although the uncertainty had nothing directly to do with Australia, Australian financial markets are part of the global financial system and were caught in the turmoil. Some of the extreme market movements have subsequently unwound. Both the Australian share market and the Australian dollar are now higher than they were in mid July. However, it now looks as if there will be one legacy, with a global repricing of credit risk leading to a market-induced increase in the cost of funds to financial institutions and to end borrowers. Although the final outcomes are uncertain, this could lead to a rise in housing and personal loan rates of around 25bp on the basis of current market pricing. This would be in addition to any increases arising from the actions of the Reserve Bank.

While this might seem to be bad news for the capacity of households to spend, it needs to be kept in perspective. Each 25bp rise in borrowing costs erodes

[1] This is an edited version of our latest *Retail Trade Industry Report*. The full version will be released early next week and will be available at www.anz.com/go/economics.

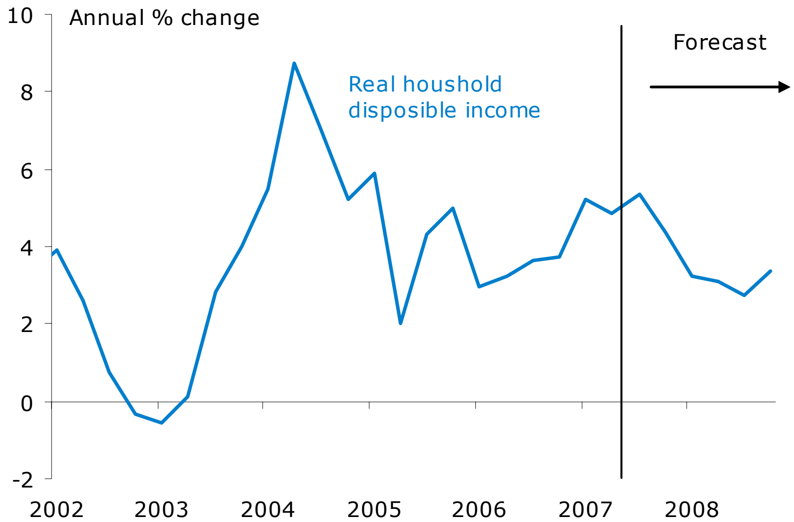
household disposable income by something less than $2bn. The negative impact of an overall increase of 75bp through the current financial year – two RBA increases and a market-induced tightening – will be broadly offset by the additional personal income tax cuts of $5bn from 1 July this year. So in a direct sense, fiscal policy will offset the impact on household disposable income of the tightening in monetary conditions. This means that household income will continue to grow in aggregate from an increase in the numbers of people employed and continued rises in remuneration per employee.

Higher prices will also erode purchasing power

Another factor which might erode purchasing power is higher prices. For a given $ income, higher prices mean that a lower quantity of goods and services can be bought. Overall consumer price inflation seems muted at present, with the headline consumer price index rising by only 2.1% over the year to June. But our forecasts suggest it will return to around 3% in the December quarter 2007 and remain around this level through 2008. This will slow the increase in real (inflation adjusted) household disposable income.

Pulling these factors together, our estimates suggest growth in real household disposable income after tax and interest will peak in the September quarter this year at an annual rate of around 5.5%, the strongest growth in three years, supported by the July 1 tax cuts and still low inflation. The rate of growth will then slow through the first half of 2008 as higher interest rates and higher inflation begin to bite. The good news is that real disposable incomes will continue to increase, with tax cuts and continued growth in employment and wages more than offsetting the negatives of higher interest rates and inflation.

Real household disposable income set to ease slightly

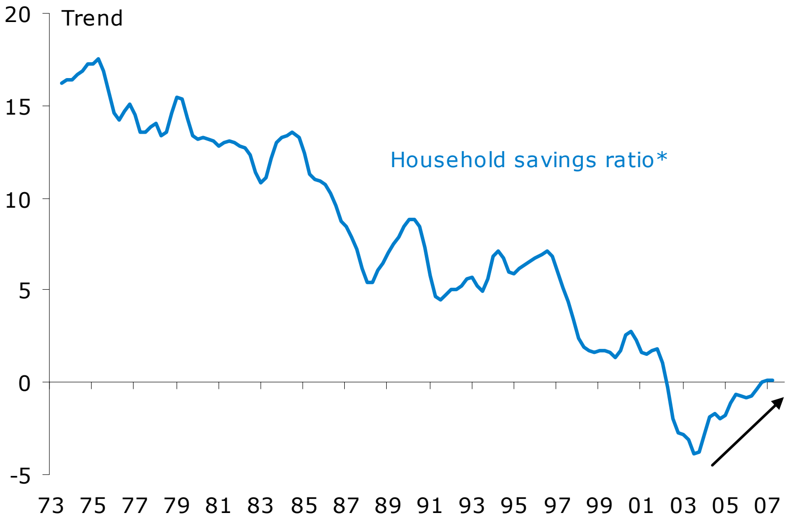


Source: Australian Bureau of Statistics, Economics@ANZ

Households are now saving again

The final link from income to spending is households' saving behaviour. There are already signs that households are saving more of their income. The household saving ratio had been falling steadily since the mid 1970s, and was in fact negative over the four years to mid 2006. But since end 2003 household behaviour has been changing, with the saving ratio becoming less negative to the point where households have had a slightly positive ratio in 2007. It may be that higher interest rates have induced households to rein in their spending plans, tighten their belts and become a little more proactive on their savings. We expect this trend to continue at the margin, although we are not expecting Australian households to suddenly become super savers. This means that spending is unlikely to grow more quickly than income.

The household savings ratio has begun to improve



*The ratio of household net saving to household net disposable income.
Source: Australian Bureau of Statistics

Conditions will remain favourable for continued solid spending

The bottom line is that conditions will remain favourable for continued solid spending by households, although growth will ease a touch from its recent highs. We forecast the volume of retail sales to increase by 3% in 2008, slightly down on the 3.8% rise in 2007.

Retail sales, annual % change

	Real	Nominal
2000	1.8	3.9
2001	3.9	8.3
2002	5.9	7.8
2003	5.6	6.7
2004	6.4	6.9
2005	1.9	3.1
2006	3.5	5.8
2007 (f)	3.8	6.2
2008 (f)	3.0	5.2

Source: Australian Bureau of Statistics, Economics@ANZ

Economic and financial market forecasts

Australian economic indicators	2006	2007f	2008f	2009f
Economic activity (annual % change)				
Private final demand	3.7	5.8	3.5	4.3
Household consumption	3.0	4.0	3.2	3.6
Dwelling investment	-1.5	4.2	4.4	13.0
Business investment	8.6	12.7	3.9	2.9
Public demand	5.4	3.5	4.9	4.6
Domestic final demand	4.1	5.3	3.8	4.3
Inventories (contribution to GDP)	-0.6	0.6	-0.1	0.0
Gross National Expenditure (GNE)	3.5	5.9	3.7	4.3
Exports	3.3	4.5	7.2	6.5
Imports	7.5	10.3	6.0	6.2
Net Exports (contribution to GDP)	-1.0	-1.5	-0.1	-0.2
Gross Domestic Product (GDP)	**2.7**	**4.1**	**3.6**	**3.6**
Prices and wages (annual % change)				
Inflation: Headline CPI	3.5	2.4	3.0	2.7
Underlying*	2.9	2.8	2.8	2.7
Wages	4.0	4.1	4.2	4.2
Labour market				
Employment (annual % change)	2.1	2.8	2.4	1.8
Unemployment rate (%)	4.8	4.4	4.3	4.2
External sector				
Current account balance: A$ bn	-55.1	-62.3	-57.2	-58.5
% of GDP	-5.5	-5.7	-4.9	-4.7

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

Australian interest rates	Current	Sep 07f	Dec 07f	Mar 08f	Jun 08f	Sep 08f
RBA cash rate	6.50	6.50	6.50	6.75	6.75	6.75
90 day bill	6.91	6.89	6.80	6.90	6.90	6.88
3 year bond	6.52	6.44	6.15	6.05	6.10	6.20
10 year bond	6.14	6.15	5.85	5.80	5.90	6.15
3s10s yield curve	-0.38	-0.29	-0.30	-0.25	-0.20	-0.05
3 year swap	7.02	6.96	6.75	6.65	6.60	6.65
10 year swap	6.81	6.83	6.60	6.55	6.50	6.75
International interest rates						
RBNZ cash rate	8.25	8.25	8.25	8.00	7.50	7.50
NZ 90 day bill	8.74	8.79	8.70	8.28	7.90	7.70
US Fed funds note	4.75	4.75	4.50	4.50	4.50	4.50
US 2 year note	3.98	3.98	3.75	4.00	4.30	4.75
US 10 year note	4.52	4.59	4.35	4.40	4.70	5.10
Japan call rate	0.50	0.68	0.50	0.75	0.75	1.00
ECB refinance rate	4.00	4.00	4.00	4.00	4.25	4.25
UK repo rate	5.75	5.75	5.75	5.75	5.75	5.75

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

Foreign exchange rates	Current	Sep 07f	Dec 07f	Mar 08f	Jun 08f	Sep 08f
Australia and NZ exchange rates						
A$/US$	0.8887	0.89	0.88	0.90	0.92	0.92
NZ$/US$	0.7563	0.76	0.74	0.72	0.71	0.70
A$/¥	103.53	102.4	102.1	103.5	104.0	103.0
A$/€	0.6287	0.62	0.62	0.63	0.65	0.67
A$/£	0.4359	0.43	0.44	0.44	0.46	0.47
A$/NZ$	1.175	1.17	1.19	1.25	1.30	1.31
A$/CA$	0.8863	0.88	0.89	0.92	0.96	0.98
A$/CHF	1.0441	1.03	1.02	1.04	1.09	1.11
A$/CNY	6.669	6.66	6.51	6.58	6.64	6.56
A$ Trade weighted index	70.50	70.0	69.4	70.7	72.4	72.7
International cross rates						
US$/¥	116.5	115	116	115	113	112
€/US$	1.414	1.43	1.43	1.44	1.41	1.38
€/¥	164.7	164	166	166	159	155
£/US$	2.039	2.05	2.01	2.03	2.00	1.97
€/£	0.6934	0.70	0.71	0.71	0.71	0.70
US$/CA$	0.997	0.99	1.01	1.02	1.04	1.07
US$/CHF	1.175	1.16	1.16	1.15	1.18	1.21
US$ index	78.42	77.7	78.0	77.6	78.8	80.2
Asia exchange rates						
US$/CNY	7.504	7.51	7.40	7.31	7.22	7.13
US$/HKD	7.758	7.77	7.78	7.79	7.79	7.79
US$/IDR	9100	9105	9050	9000	9100	9200
US$/INR	39.47	39.8	39.3	39.0	39.2	39.4
US$/KRW	916.3	915	915	910	912	915
US$/MYR	3.406	3.41	3.41	3.40	3.43	3.44
US$/PHP	44.76	45.1	43.5	43.0	44.0	45.0
US$/SGD	1.479	1.49	1.50	1.50	1.50	1.51
US$/THB	31.47	34.3	34.0	34.0	34.3	34.5
US$/TWD	32.60	32.67	32.80	32.50	32.80	33.00
US$/VND	16084	16086	16240	16246	16312	16398
Pacific exchange rates						
PGK/US$	0.3387	0.35	0.35	0.34	0.34	0.34
FJD/US$	0.6258	0.64	0.64	0.64	0.65	0.65

For additional information on foreign exchange rates please refer to ANZ's *FX Weekly*.

What to watch — 4 weeks from Monday 8 October 2007

Mon 8 October	Tues 9 October	Wed 10 October	Thur 11 October	Fri 12 October
9.30 Ai Group-CBA PCI (Sep) **11.30 ANZ Job Advertisements Series (Sep)**	11.30 NAB Monthly Business Survey (Sep)	10.30 Westpac-Melbourne Institute, Index of Consumer Confidence (Oct) **11.30 ABS, Housing Finance (Aug)** *ANZ forecast: +2.0% MoM, +0.9% YoY* *Last: -4.1% MoM, -3.1% YoY*	10.30 Westpac-Melbourne Institute, Consumer Inflationary Expectations (Oct) **11.30 ABS, Labour Force (Sep)** *ANZ forecast:* *Employment: +25,000* *Unemploy. rate: 4.4%* *Part. Rate: 65.2%* *Last:* *Employment: +31,900* *Unemploy. rate: 4.3%* *Part. Rate: 65.1%*	
Mon 15 October	**Tues 16 October**	**Wed 17 October**	**Thur 18 October**	**Fri 19 October**
11:30 ABS, Lending Finance (Aug)	AOFM, Treasury Bond Issuance ($400mn)	10.30 WBC Leading Index (Aug)	11.30 ABS, Merchandise Imports (Sep) RBA Bulletin (Oct)	**11.30 ABS, International Trade Price Indexes (Sep Qtr)** ABS, New Motor Vehicle Sales (Sep)
Mon 22 October	**Tues 23 October**	**Wed 24 October**	**Thur 25 October**	**Fri 26 October**
11.30 ABS, Producer Price Indexes (Sep Qtr)		11.00 DEWR, Skilled Vacancies (Oct) **11.30 ABS, Consumer Price Index (Sep Qtr)**		10.00 Conference Board, Leading Index (Aug)
Mon 29 October	**Tues 30 October**	**Wed 31 October**	**Thur 1 November**	**Fri 2 November**
		11.30 RBA, Private Sector Credit (Sep) ABS, Building Approvals (Sep) 16.30 RBA, Index of Commodity Prices (Oct) HIA, New Home Sales (Sep)	9.30 Ai Group-CBA PMI (Oct) **11.30 ABS, Retail Trade (Sep)** ABS, International Trade (Sep)	

ANZ Research

Economics@ANZ

Saul Eslake
Chief Economist
+61 3 9273 6251
Saul.Eslake@anz.com

Fiona Allen
Business Manager
+61 3 9273 6224
Fiona.Allen@anz.com

Tony Pearson
Head of Australian Economics
+61 3 9273 5083
Tony.Pearson@anz.com

Mark Rodrigues
Senior Economist, Industry
+61 3 9273 6286
Mark.Rodrigues@anz.com

Wain Yuen
Economist, Industry
+61 3 9273 6295
Wain.Yuen@anz.com

Riki Polygenis
Senior Economist (Acting), Australia
+61 3 9273 4060
Riki.Polygenis@anz.com

Amber Rabinov
Economist, Australia
+61 3 9273 4853
Amber.Rabinov@anz.com

Amy Auster
Head of International Economics
+61 3 9273 5417
Amy.Auster@anz.com

Katie Dean
Senior Economist, International
+61 3 9273 1381
Katie.Dean@anz.com

Jasmine Robinson
Senior Economist, International
+61 3 9273 6289
Jasmine.Robinson@anz.com

Dr. Alex Joiner
Economist, International
+61 3 9273 6123
Alex.Joiner@anz.com

Paul Braddick
Head of Financial System Analysis
+61 3 9273 5987
Paul.Braddick@anz.com

Ange Montalti
Senior Economist, Financial System Analysis
+61 3 9273 6288
Ange.Montalti@anz.com

Warren Hogan
Head of Markets Research
+61 2 9227 1562
Warren.Hogan@anz.com

Cherelle Murphy
Senior Economist, Markets
+61 3 9273 1995
Cherelle.Murphy@anz.com

ANZ Markets Research

Warren Hogan
Head of Markets Research
+61 2 9227 1562
Warren.Hogan@anz.com

Sally Auld
Senior Interest Rate Strategist
+61 2 9227 1809
Sally.Auld@anz.com

Tony Morriss
Senior Currency Strategist
+61 2 9226 6757
Anthony.Morriss@anz.com

Cherelle Murphy
Senior Economist, Markets
+61 3 9273 1995
Cherelle.Murphy@anz.com

David Croy
Strategist
+44 20 7378 2070
croyd@anz.com

Patricia Gacis
Market Strategist
+61 2 9227 1272
Patricia.Gacis@anz.com

Mark Pervan
Commodity Strategist
+61 3 9273 3716
Mark.Pervan@anz.com

Sarah Percy-Dove
Head of Credit Research
+61 2 9227 1142
Sarah.Percy-Dove@anz.com

Research & Information Services

Mary Yaxley
Head of Research & Information Services
+61 3 9273 6265
Mary.Yaxley@anz.com

Marilla Rough
Senior Information Officer
+61 3 9273 6263
Marilla.Rough@anz.com

Manesha Jayasuriya
Information Officer
+61 3 9273 4121
Manesha.Jayasuriya@anz.com

ANZ New Zealand

Cameron Bagrie
Chief Economist
+64 4 802 2212
bagriec@anz.com

Khoon Goh
Senior Economist
+64 4 802 2357
gohk@anz.com

Philip Borkin
Economist
+64 4 802 2199
borkinp@anz.com

Sean Comber
Economist
+64 4 802 2286
combers@anz.com

Steve Edwards
Economist
+64 4 802 2217
edwards1@anz.com

Kevin Wilson
Rural Economist
+64 4 802 2361
Kevin.Wilson@nbnz.co.nz

Important Notice

Australia and New Zealand Banking Group Limited is represented in:

AUSTRALIA by:

Australia and New Zealand Banking Group Limited ABN 11 005 357 522
10th Floor 100 Queen Street, Melbourne 3000, Australia
Telephone +61 3 9273 6224   Fax +61 3 9273 5711

UNITED KINGDOM by:

Australia and New Zealand Banking Group Limited
ABN 11 005 357 522
40 Bank Street, Canary Wharf, London, E14 5EJ, United Kingdom
Telephone +44 20 3229 2121   Fax +44 20 7378 2378

UNITED STATES OF AMERICA by:

ANZ Securities, Inc. (Member of NASD and SIPC)
6th Floor 1177 Avenue of the Americas
New York, NY 10036, United States of America
Tel: +1 212 801 9160   Fax: +1 212 801 9163

NEW ZEALAND by:

ANZ National Bank Limited
Level 7, 1-9 Victoria Street, Wellington, New Zealand
Telephone +64 4 802 2000