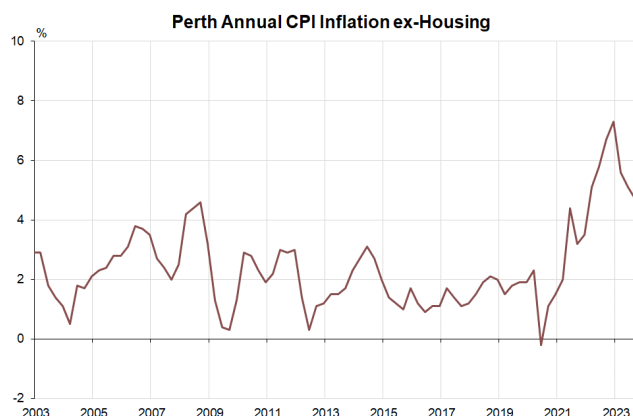
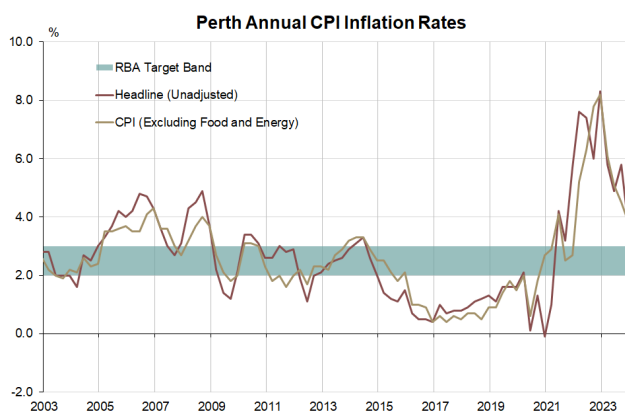


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- The Perth CPI rose 1.5% in Q4 due to the unwinding of energy bill relief, however, the annual inflation rate of 3.6% was the lowest of the mainland capital cities.
- Western Australian retail sales fell 3.8% in December and the annual growth rate slipped to 2.4%.
- Western Australian employment fell 5.7k in December and the unemployment rate rose 0.2ppts to 3.9%.
- Dwelling approvals rose 7.9% in December and were 15.1% higher than in December 2022.

WESTERN AUSTRALIAN Q4 CONSUMER PRICE INDEX

- The Perth CPI increased 1.5% in Q4 2023, however the annual headline inflation rate declined to 3.6% from 5.8% in Q3.
- The major drivers behind the quarterly increase in Q4 were a 56.7% rise in electricity charges, due to the unwinding of the first instalment of the household electricity rebate which was introduced in July 2023. This was partly offset by the introduction of the second instalment in December 2023. Overall, the rise in the electricity price index contributed 0.7ppts to quarterly inflation.
- The other major contributors to inflation in the quarter were a 5.6% increase in new dwelling purchase costs for owner-occupiers, which added 0.4ppts in the quarter and a 7.0% rise in tobacco prices, due to tax increases, which contributed 0.2ppts.
- The CPI excluding housing (rents, purchase costs, maintenance, and utility charges) rose just 0.3% in the quarter and 2.8% YoY.
- The CPI excluding food and energy climbed 1.0% in Q4 with the annual inflation rate falling to 3.7% from 4.8% in Q3.



Source: ABS

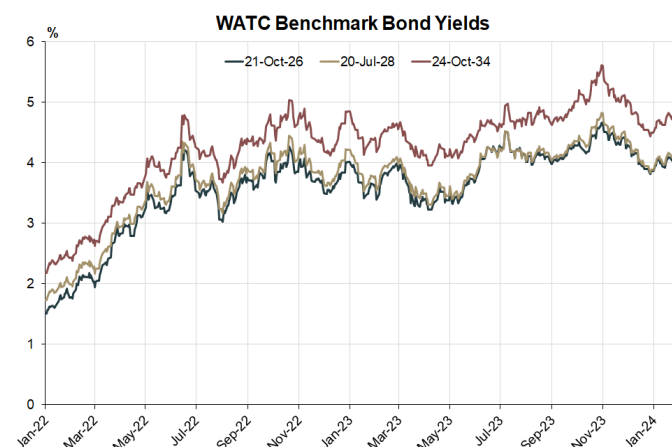
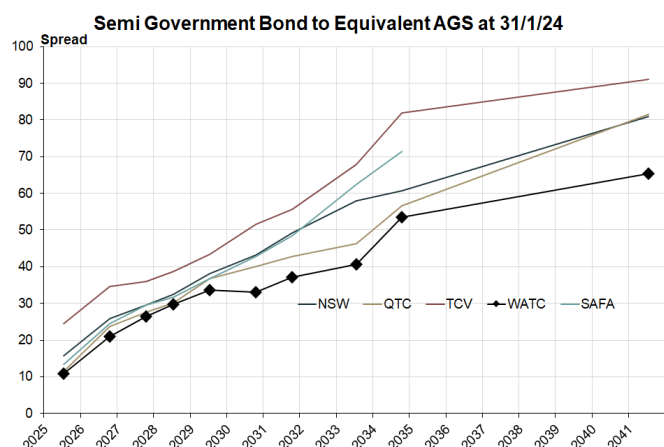
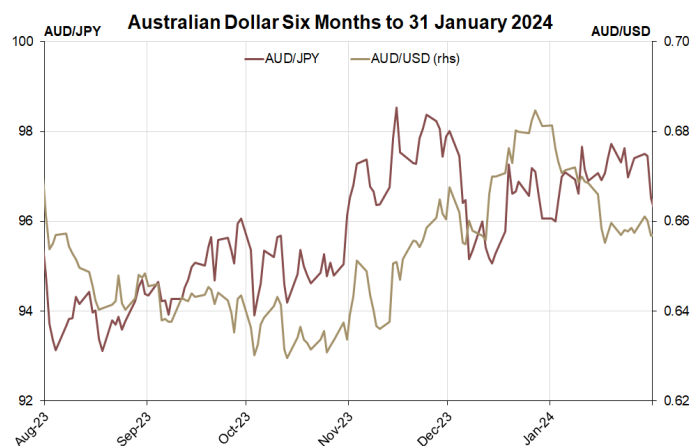
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6568 (↓3.6%)
90-Day Bank Bills	4.35	(↓1 pt)	AUD/JPY	96.51 (↑0.5%)
3-year Australian Government Bond	3.57	(↓4 pt)		
10-year Australian Government Bond	4.01	(↑6 pt)	ASX200	7681 (↑90 pt)

MARKET SUMMARY

- There was no RBA monetary policy meeting in January.
- Australian Government bond yields followed global yields higher over the first half of January, however yields fell back later in the month as the media statement following the FOMC meeting in the US, shifted to discussing the appropriate time for interest rate cuts, rather than whether a further increase would be required. The downward pressure on Australian bond yields was reinforced by softer-than-expected Australian inflation data.
- The Australian dollar rose 0.50% against the Japanese yen in January, with the increase being mainly driven by the depreciation of the yen. The Australian dollar fell against the remaining major currencies including posting its first monthly decline against the US dollar since October.
- The Australian equity market increased for the third month in a row in January, with the ASX 200 gaining 1.2% over the month to close at a record high.

WATC Benchmark Bond Yields			
Maturity	Yield 31/1/2024	Spread to AGS 31/1/2024	
23 July 2024	4.21 (↑1 pt)	+7 pt	(↓6 pt)
23 July 2025	3.98 (↓2 pt)	+11 pt	(↓10 pt)
21 October 2026	3.83 (↓3 pt)	+21 pt	(↓3 pt)
21 October 2027	3.83 (↓2 pt)	+27 pt	(↑3 pt)
20 July 2028	3.88 (0 pt)	+30 pt	(↑4 pt)
24 July 2029	3.99 (0 pt)	+34 pt	(↑4 pt)
22 October 2030	4.15 (↑1 pt)	+33 pt	(↓3 pt)
22 October 2031	4.28 (↑4 pt)	+37 pt	(↓2 pt)
20 July 2033*	4.40 (↑6 pt)	+41 pt	(↓3 pt)
24 October 2034	4.55 (↑6 pt)	+54 pt	(↑5 pt)
23 July 2041	4.95 (↓1 pt)	+65 pt	(↑2 pt)

Spreads are to nearest Commonwealth Bond. * Green bond.



Any opinions, judgments, conclusions, forecasts, predictions or estimations contained in this advice are made in reliance on information provided to Western Australian Treasury Corporation which Western Australian Treasury Corporation believes to be reliable. Western Australian Treasury Corporation, however, cannot guarantee the accuracy of that information. Thus, any recommendations are made in good faith but are provided only to assist you with any decisions which you make. These recommendations are not intended to be a substitute for professional advice on a particular matter. Before accepting or rejecting those recommendations you must discuss your particular needs and circumstances with Western Australian Treasury Corporation.