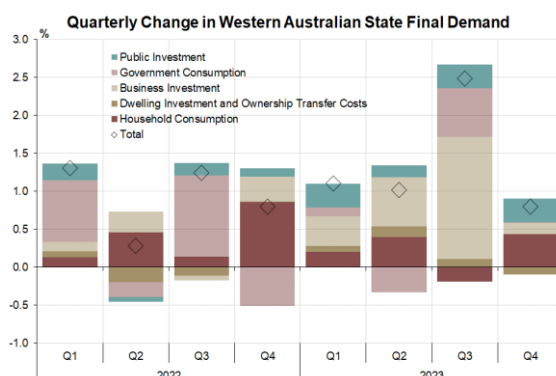
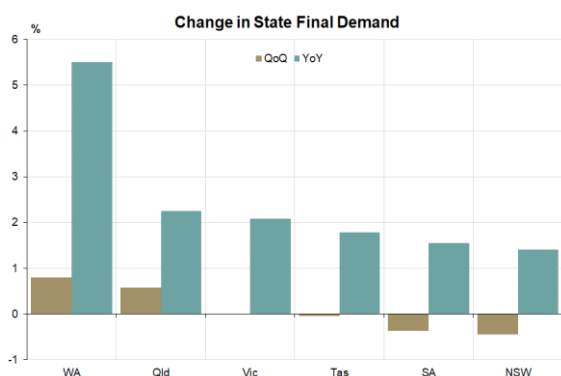


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- Western Australian gross state product rose by 0.8% in Q4, to be 5.5% up through the year.
- The wage price index in Western Australia picked up by 0.8% QoQ and 4.7% YoY in Q4.
- Western Australian employment rose by 0.7k in January, while the unemployment rate stood at 4.2%.
- January also saw a 0.7% rise in retail trade in Western Australia, which took the annual growth rate to 1.8%.

WESTERN AUSTRALIAN Q4 2023 STATE FINAL DEMAND

- Western Australian state final demand rose by 0.8% in Q4 2023, to be up 5.5% through the year. These increases were the largest of all Australian states.
- Half of the quarterly gain in Western Australian state final demand came from household consumption, which rose by 0.9% in Q4. This was partly due to a 39.1% surge in spending for electricity, gas and other fuel amid higher out-of-pocket expenses for electricity, as households had largely used the 2023 electricity credit rolled out by the Western Australian government in mid-2023. However, consumer spending increased for most categories of household goods and services, including discretionary items such as furnishings and household equipment (0.7%) or clothing and footwear (0.9%).
- Private business investment rose 0.7% in Q4, supported by a 2.8% rise in non-dwelling construction driven by mining and student accommodation construction, as well as new engineering construction associated with renewable energy projects and investment in utilities. However, machinery and equipment investment declined 1.0% in Q4, driven by the mining sector.
- Dwelling investment fell 4.6% in the quarter; while ownership transfer costs rose 4.8%.
- General government consumption was unchanged in Q4, as increased spending for the Voice referendum was offset by lower expenditure related to the 2023 household electricity rebate.
- Public sector investment surged by 5.9% in the quarter amid the increased spending on energy, education, roads and utilities.



Source: ABS

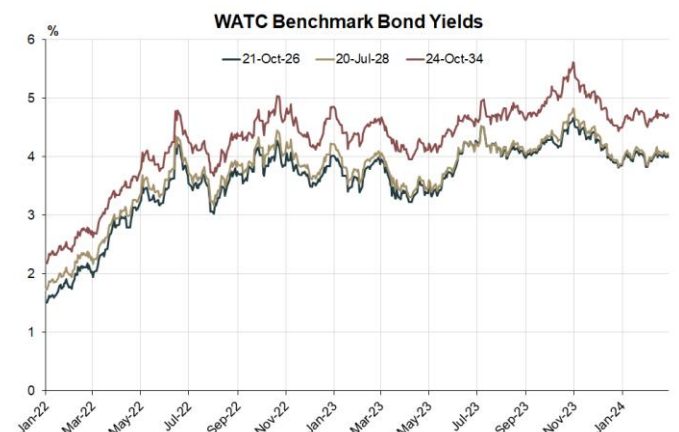
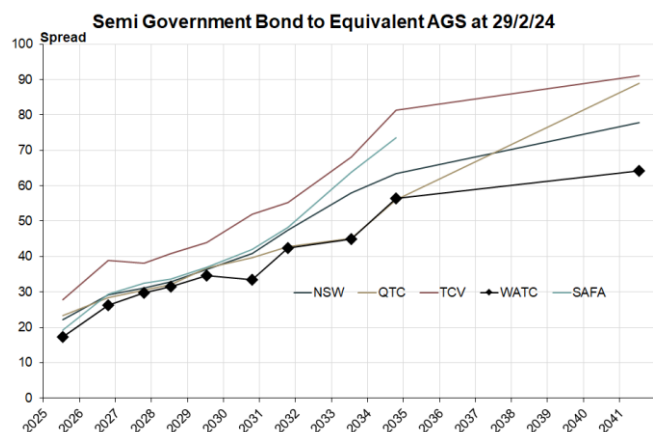
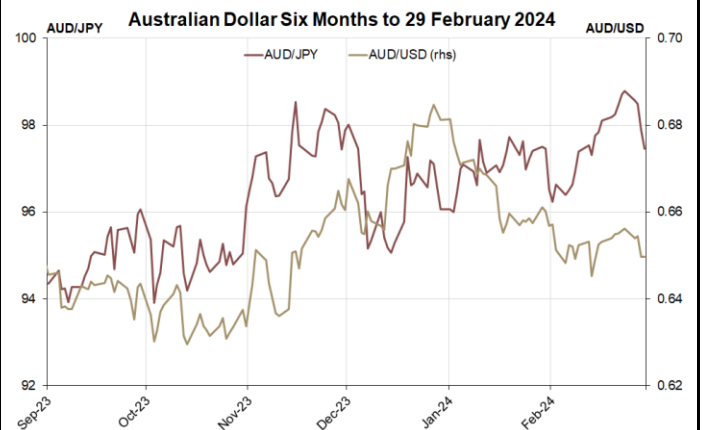
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6497 (↓1.1%)
90-Day Bank Bills	4.34	(↓1 pt)	AUD/JPY	97.45 (↑1%)
3-year Australian Government Bond	3.70	(↑13 pt)		
10-year Australian Government Bond	4.14	(↑12 pt)	ASX200	7699 (↑18 pt)

MARKET SUMMARY

- The RBA left its interest rates unchanged in February, as expected, including the cash rate target at 4.35%.
- Australian Government bond yields picked up somewhat in February, as central bank rate cut expectations were scaled back both in the US and Australia. Central bank officials speaking during the month consistently pushed back against expectations of imminent rate cuts, which was reinforced by upside surprises to US inflation figures and some strong economic activity data from the US. Despite the increase, yields remain well below the peaks from late 2023.
- The Australian dollar appreciated 1.1% against the Japanese yen in February, with the increase being mainly driven by the depreciation of the yen. The AUD weakened against most of the major currencies, including the US dollar, with the AUD/USD reaching a three-month low in the middle of February.
- The Australian equity market increased for the fourth month in a row in February, with the ASX 200 gaining 0.2% over the month to close at a fresh record high.

WATC Benchmark Bond Yields			
Maturity	Yield 29/2/2024		Spread to AGS 29/2/2024
23 July 2025	4.14	(↑16 pt)	+17 pt (↑6 pt)
21 October 2026	4.00	(↑17 pt)	+26 pt (↑5 pt)
21 October 2027	4.01	(↑18 pt)	+30 pt (↑3 pt)
20 July 2028	4.04	(↑16 pt)	+32 pt (↑2 pt)
24 July 2029	4.14	(↑15 pt)	+35 pt (↑1 pt)
22 October 2030	4.28	(↑13 pt)	+33 pt (↑0 pt)
22 October 2031	4.41	(↑13 pt)	+42 pt (↑5 pt)
20 July 2033*	4.56	(↑16 pt)	+45 pt (↑4 pt)
24 October 2034	4.69	(↑14 pt)	+56 pt (↑3 pt)
23 July 2041	5.08	(↑13 pt)	+64 pt (↓1 pt)

Spreads are to nearest Commonwealth Bond. * Green bond.



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