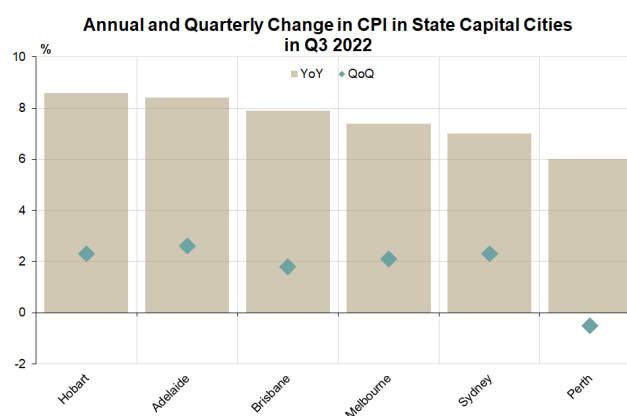
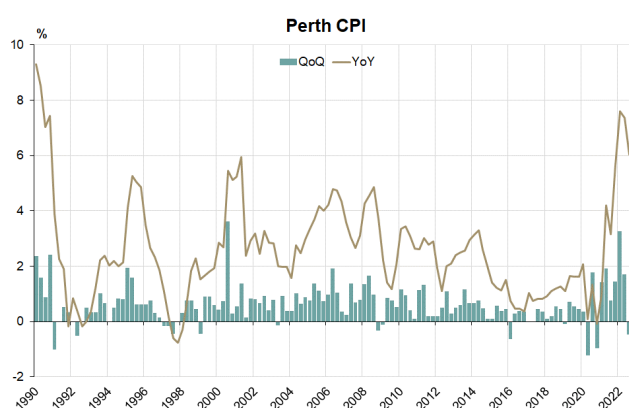


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- The RBA Board raised the cash rate by a further 25 basis points to 2.85% at its November meeting.
- Perth CPI declined 0.5% in Q3, while the annual rate of CPI inflation fell 1.4ppts to 6.0%.
- The Western Australian unemployment rate, at 3.4%, remains one of the lowest nationwide.
- Retail sales rose 1.4% in Western Australia in September to be up 7.8% YoY.
- Dwelling approvals fell 9.3% in Western Australia in September.

PERTH CPI Q3 2022

- The Perth CPI declined by 0.5% in Q3 2022, while the annual rate of CPI inflation fell 1.4ppts to 6.0%. This was the lowest inflation of all the Australian capital cities. Perth was the only capital city to see a decline in consumer prices in the quarter.
- The fall in the Perth CPI in Q3 was driven by an 84.3% drop in the electricity price index due to the A\$400 household electricity credit introduced by the Western Australian government from July. This was the second household electricity credit introduced by the Western Australian government since the COVID-19 pandemic started.
- The second most important factor of the Q3 decline in Perth CPI was a 5.8% drop in automotive fuel prices, which was reflected the fall in global oil prices in the quarter.
- The big drop in the electricity price index was the major contributor to a 2.1% fall in the goods component of the CPI, while services prices climbed 1.8% in Q3. Despite the decline in Q3, the annual rate of goods price inflation of 6.4% continued to outstrip services inflation of 5.5%.
- Dwelling construction costs continued to make an outsized contribution to Perth CPI inflation, as it has in the other capitals, with the index for new dwelling purchases rising 2.7% in the quarter to be up 31.1% YoY.
- The annual rate of core inflation accelerated with all groups CPI, excluding food and energy, rising 1.8% in the quarter to be up 7.8% over the year.



Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	2.60	(↑25 pt)	AUD/USD	0.6397 (↓5 pt)
90-Day Bank Bills	3.14	(↑2 pt)	AUD/JPY	95.13 (↑2.5 pt)
3-year Australian Government Bond	3.29	(↓34 pt)		
10-year Australian Government Bond	3.76	(↓20 pt)	ASX200	6864 (↑390 pt)

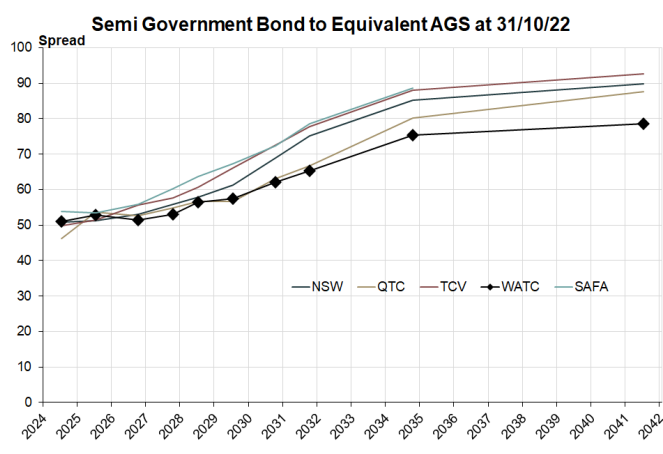
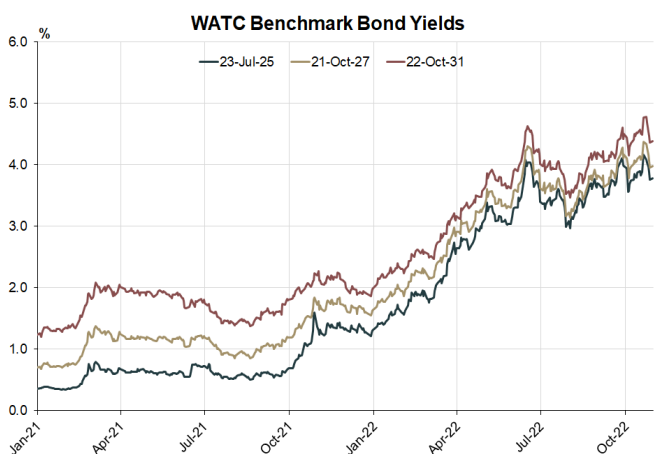
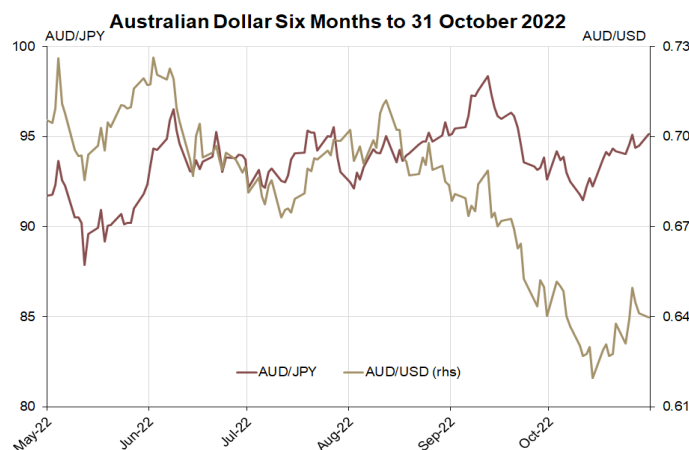
\*As at end of October. Figures in brackets represent the monthly change.

### MARKET SUMMARY

- The RBA board dialled back the pace of tightening, raising the cash rate by 25 basis points at both the October and November meetings following a series of 50 basis point increases. A peak in the cash rate of 3.85% is priced in for 2023, down from the 4.10% that was priced in at the end of September.
- Australian bond yields fell in October. Yields at the short end of the curve fell as the RBA eased back on the pace of its cash rate hikes, causing traders to revise down their expectations for the peak in the cash rate. The decline at the long end of the curve was partially driven by the fall in global bond yields.
- The Australian dollar fell to a low of ¥91.49 against the Japanese yen on 11 October, its lowest level since May, before recovering to close the month at a 5½-week high.
- Australian equities rebounded 6.0% in October, joining the global market rally to recoup most of September's losses. Almost all the major market sectors gained during the month, led by finance, energy, and real estate.

WATC Benchmark Bond Yields		
Maturity	Yield 31/10/2022	Spread to AGS 31/10/2022
16 October 2023	3.57 (↑9 pt)	+53 pt (↑12 pt)
23 July 2024	3.71 (↓15 pt)	+51 pt (↑11 pt)
23 July 2025	3.78 (↓20 pt)	+53 pt (↑14 pt)
21 October 2026	3.87 (↓23 pt)	+51 pt (↑12 pt)
21 October 2027	3.98 (↓19 pt)	+53 pt (↑12 pt)
20 July 2028	4.06 (↓18 pt)	+57 pt (↑13 pt)
24 July 2029	4.17 (↓16 pt)	+58 pt (↑12 pt)
22 October 2030	4.31 (↓13 pt)	+62 pt (↑12 pt)
22 October 2031	4.39 (↓12 pt)	+65 pt (↑12 pt)
24 October 2034	4.68 (↓6 pt)	+75 pt (↑11 pt)
23 July 2041	4.91 (↑3 pt)	+78 pt (↑10 pt)

\*Spreads are to nearest Commonwealth Bond.



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