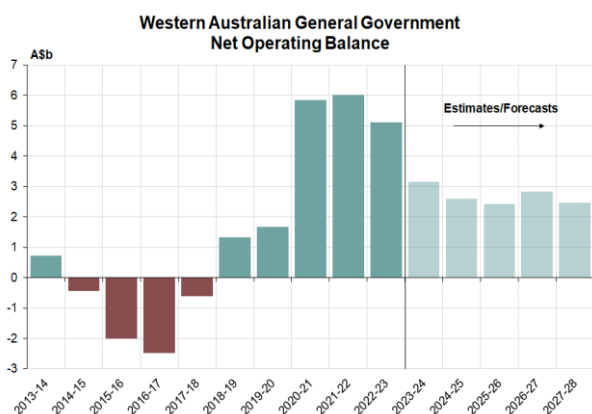


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

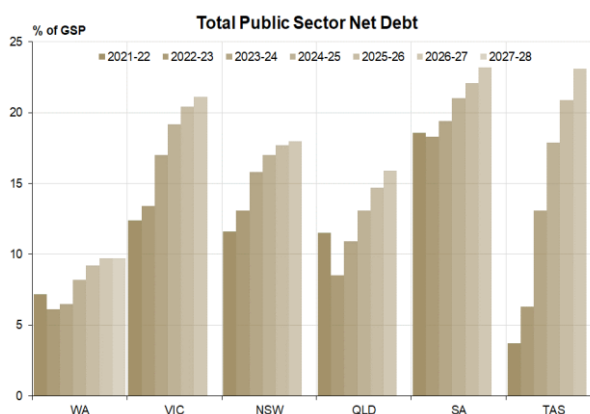
- Western Australian Treasury Corporation issued a new 4.50% fixed rate coupon bond maturing on 21 July 2032.
- Western Australia is estimated to have registered another [fiscal surplus](#) in 2023-24.
- Western Australian [retail trade](#) was 1.7% up over the year to April.
- Western Australian [unemployment rate](#) rose to the still low 3.9% in April, but employment was 2.8% up YoY.
- Western Australian [dwelling approvals](#) surged by 37.8% over the year to April, by far the most of all the states.

WESTERN AUSTRALIAN STATE BUDGET 2024-25

- Treasury WA released the Western Australian [State Budget for 2024-25](#).
- Western Australia's domestic economy, as measured by State Final Demand (SFD) grew by 4.7% in 2023 – the strongest of any State or Territory, and twice the pace of growth nationally. Over 2023-24, this is expected to further accelerate to 5.25%.
- All key components of domestic economic activity are contributing to growth, with the strongest contributions from business investment, Government investment and household consumption, supported by the strongest population growth in the nation.
- SFD growth is expected to moderate to around 3% from 2024-25, as population growth normalises, and business investment consolidates at a high level. Gross State Product (GSP) is expected to grow 2-2.25% per annum across the forward estimates period.
- The Western Australian government will deliver its sixth consecutive general government operating surplus in 2023-24, of A\$3.2b, with a A\$2.6b operating surplus forecast for 2024-25 and ongoing surpluses in the outyears.
- Total public sector net debt is estimated to be A\$28.6b at 30 June 2024, down from the original 2023-24 Budget forecast of A\$29.4b. Net debt is projected to rise slightly across the forward estimates period and expected to remain below 10% of GSP until at least 2027-28. Western Australian net debt as a share of GSP is significantly lower than all the other States.



Source: Treasury WA



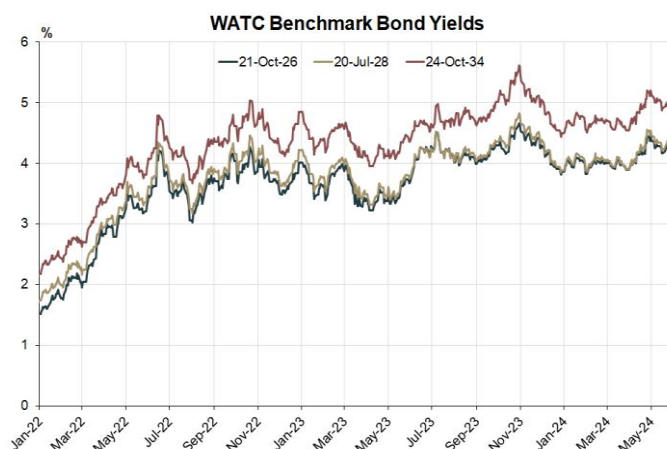
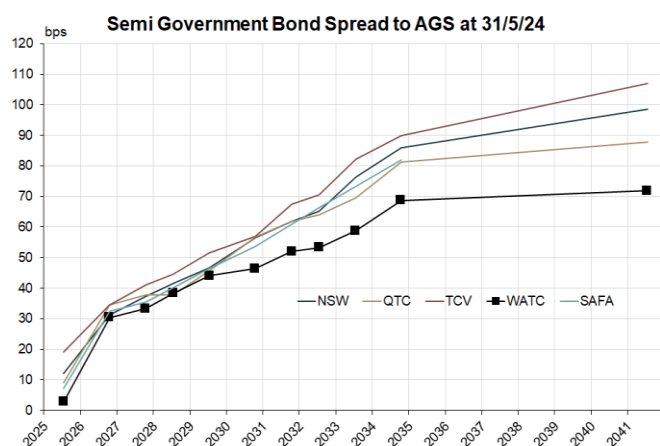
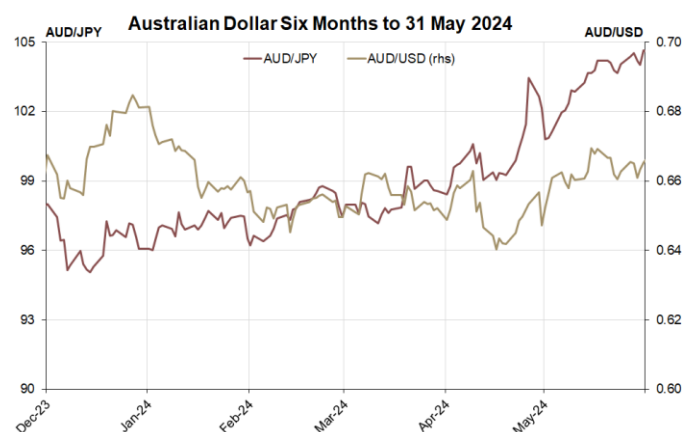
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6653 (↑2.8%)
90-Day Bank Bills	4.35	(↓6 pt)	AUD/JPY	104.66 (↑2.5%)
3-year Australian Government Bond	4.05	(↑1 pt)		
10-year Australian Government Bond	4.41	(↓1 pt)	ASX200	7702 (↑38 pt)

MARKET SUMMARY

- The RBA kept the cash rate target unchanged at 4.35% in May, but a 25bps hike was voted on at the meeting.
- Australian Government bond yields were little changed in May and remain close to their 2024 highs. However, there was some volatility during the month. In the first half of May, Commonwealth bond yields followed the US Treasury yields lower, after a downside surprise to US inflation and activity data saw fed funds rate cut expectations increase a little. However, hawkish Fed speak and concerns over the state of US public finances, triggered a rise in US and Australian yields near the end of the month.
- The Australian dollar rose 2.8% against the US dollar and 2.5% versus the Japanese yen. Towards the end of the month, the AUD/JPY closing rate reached the highest level since April 2013, reflecting the recent weakness of the JPY and rebound of the AUD amid positive global market sentiment for most of the month of May.
- The Australian equity market gained 0.5% gain in May, following a near 3% drop in April. The ASX 200 closed the month just 2.5% below the record high recorded on 28 March.

WATC Benchmark Bond Yields				
Maturity	Yield		Spread to AGS	
	31/5/2024		31/5/2024	
23 July 2025	4.39	(↓6 pt)	+3 pt	(↓13 pt)
21 October 2026	4.37	(0 pt)	+30 pt	(↓2 pt)
21 October 2027	4.38	(↓1 pt)	+33 pt	(↓3 pt)
20 July 2028	4.44	(↓2 pt)	+38 pt	(↓3 pt)
24 July 2029	4.54	(↓1 pt)	+44 pt	(↓1 pt)
22 October 2030	4.68	(0 pt)	+46 pt	(↑2 pt)
22 October 2031	4.82	(↑1 pt)	+52 pt	(↑2 pt)
21 July 2032	4.88	-	+53 pt	-
20 July 2033*	4.95	(↑2 pt)	+59 pt	(↑4 pt)
24 October 2034	5.13	(↑2 pt)	+69 pt	(↑4 pt)
23 July 2041	5.42	(↓6 pt)	+72 pt	(↓3 pt)

Spreads are to nearest Commonwealth Bond. * Green bond.



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