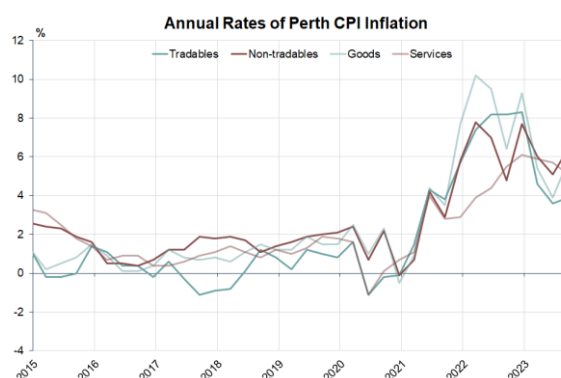
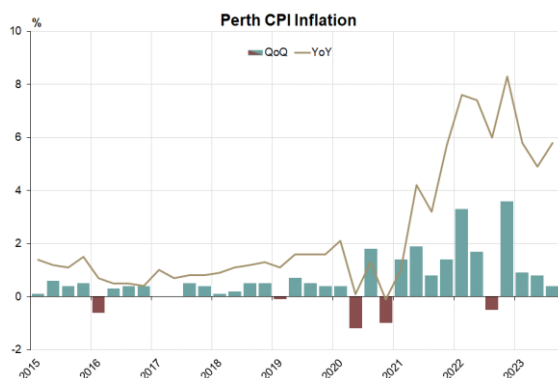


### THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

- The Perth CPI rose by 0.4% in Q3, the least of all the capital cities, taking the annual CPI inflation to 5.8%.
- The Western Australian unemployment rate declined to 3.3% in September, to be the lowest of all the states.
- Western Australian retail trade rose 0.1% in September and was 3.0% higher than a year ago.
- Perth home prices rose by 1.6% in October, to be up 10.8% through the year and at a new record high.

### PERTH CPI – Q3 2023

- The Perth CPI rose by 0.4% in Q3 2023, taking the annual rate of consumer price inflation to 5.8%.
- The Q3 CPI increase was the smallest of all the capital cities. This relatively small increase in consumer prices reflected lower out-of-pocket expenses on electricity due to Commonwealth and Western Australian energy assistance payments, which were more generous than other states and translated to a 44.6% drop in electricity prices.
- Childcare costs fell by 12.4% in the quarter, roughly the same as the 13.2% average for all the capital cities, due to the increase in rates and eligibility for childcare support. Without the subsidy, national childcare costs would have risen 6.7%.
- The major contributors to the quarterly rise in the Perth CPI were increases in automotive fuel prices (7.6%), new dwelling purchases by owner-occupiers (3.0%), rents (2.7%) and insurance (6.3%).
- The rise in rental costs in the quarter was moderated by increased Commonwealth rent assistance, which lowered out-of-pocket expenses. The subindex for Rents was up 9.0% YOY, while new dwelling purchase costs were up 4.6% YoY.
- The 0.9ppts acceleration of the annual rate of inflation to 5.8% was due to the low base from Q3 2022, when the Western Australian Government rolled out the previous household electricity credit. As a result, in Q3 2023 the index, electricity prices were 263.4% higher than the year before. Prices for some food items, particularly dairy products, are also up substantially over the year to Q3 2023.
- The CPI excluding housing (housing includes electricity prices) rose 1.1% in the quarter and was up 4.7% YoY.
- Excluding food and energy, the Perth CPI rose 1.2% in Q3, while the annual rate of consumer price inflation slowed to 4.5%, the lowest since Q4 2021, while the CPI excluding the volatile items rose by just 0.1% in the quarter.
- The annual rate of non-tradables inflation which is driven by domestic factors, accelerated 1.3ppts to 6.4%, though this was distorted by base effects. Annual tradables inflation picked up 0.3ppts to 3.9%.



Source: ABS

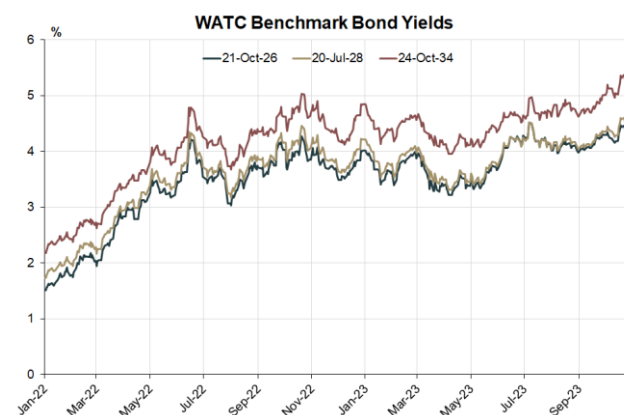
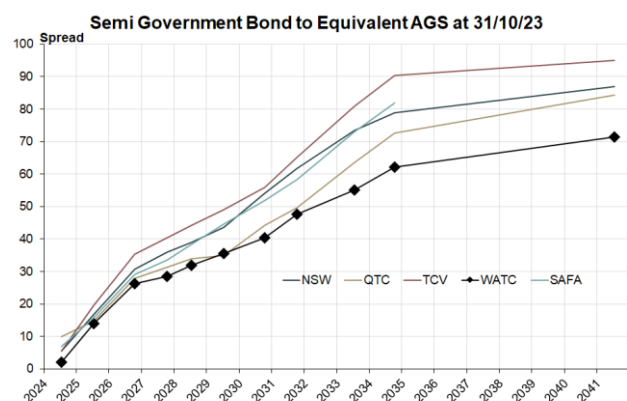
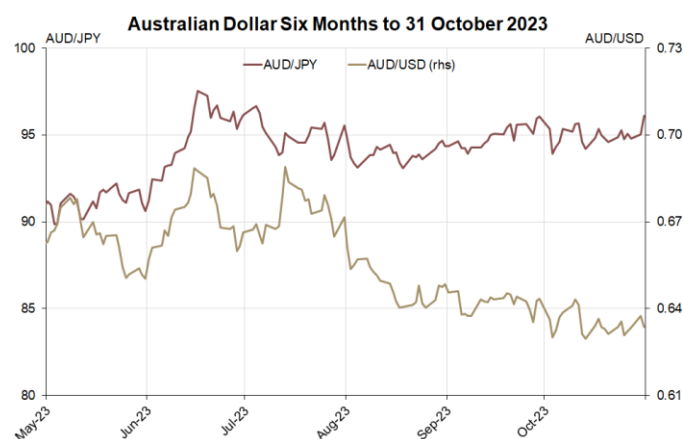
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.10	(0 pt)	AUD/USD	0.6337 (↓1.5%)
90-Day Bank Bills	4.35	(↑21 pt)	AUD/JPY	96.13 (↑0.1%)
3-year Australian Government Bond	4.40	(↑32 pt)		
10-year Australian Government Bond	4.92	(↑44 pt)	ASX200	6781 (↓268 pt)

## MARKET SUMMARY

- Australian Government bond yields continued to climb in October, following their global equivalents higher. The global bond sell-off resulted from further concerns over the increased supply of US Treasuries and the realisation that central banks would need to keep interest rates high for longer due to resilient economic conditions and slow disinflation. RBA cash rate expectations rose in October, with a 25bps hike to 4.35% now expected at the November meeting. This followed the hawkish tone hit by the RBA in late October and the upside surprise to the Q3 CPI figures.
- The Australian dollar fell for the third month in a row against the greenback in October but was flat versus the weaker Japanese yen. The Aussie was weighed down by the increase in financial market volatility in the wake of Hamas' attack on Israel and the further escalation of violence in the Middle East.
- In October, the Australian equity market dropped by another 3.8%, reaching the lowest level in over a year towards the end of the month. The losses were broad-based, led by the information technology sector, with utilities being the only sector to see gains amid a rise in oil prices.

WATC Benchmark Bond Yields			
Maturity	Yield 31/10/2023	Spread to AGS 31/10/2023	
23 July 2024	4.49 (↑22 pt)	+2 pt	(↓5 pt)
23 July 2025	4.64 (↑27 pt)	+14 pt	(↓9 pt)
21 October 2026	4.66 (↑37 pt)	+26 pt	(↓5 pt)
21 October 2027	4.75 (↑46 pt)	+28 pt	(↑9 pt)
20 July 2028	4.83 (↑47 pt)	+32 pt	(↑9 pt)
24 July 2029	4.97 (↑52 pt)	+36 pt	(↑11 pt)
22 October 2030	5.15 (↑53 pt)	+40 pt	(↑11 pt)
22 October 2031	5.30 (↑55 pt)	+48 pt	(↑12 pt)
20 July 2033*	5.43 (↑57 pt)	+55 pt	(↑12 pt)
24 October 2034	5.61 (↑60 pt)	+62 pt	(↑15 pt)
23 July 2041	5.99 (↑53 pt)	+71 pt	(↑7 pt)

Spreads are to nearest Commonwealth Bond. \* Green bond.



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