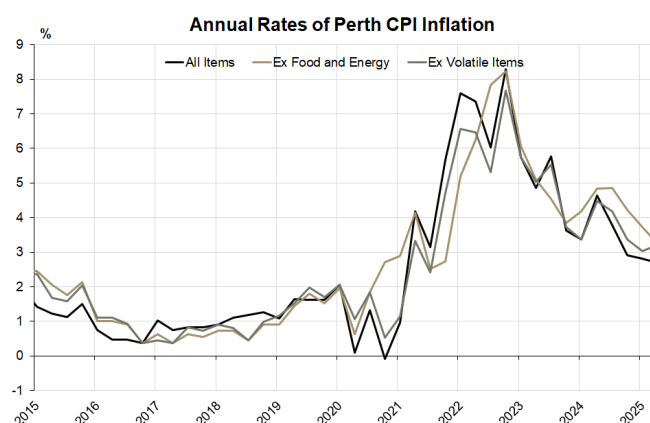
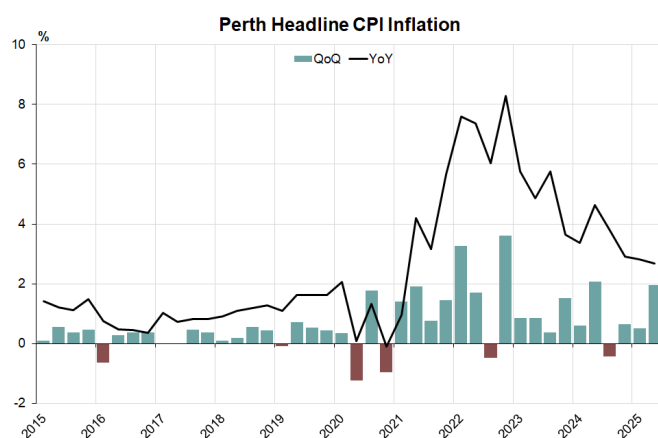


## Western Australian Data Highlights

- The [RBA Monetary Policy Board](#) unexpectedly left the cash rate target unchanged at 3.85% in July.
- The Perth [CPI](#) rose by 1.9% in Q2, to be up by 2.7% through the year.
- Western Australian [employment](#) rose by 2.6% over the year to June, while the unemployment rate was 4.1%.
- Western Australian [retail sales](#) rose 0.3% in June and were 5.3% higher through the year.
- The Cotality Perth home value index increased 0.8% in July, to be up 7.0% from a year earlier.

## Perth CPI in Q2 2025

- The Perth CPI rose by 1.9% in Q2 2025. Despite the strong quarterly increase, the annual rate of consumer price inflation slipped by 0.1ppts to 2.7%, which was the lowest since Q1 2021.
- The Q2 gain in the Perth CPI was mainly driven by a 116.8% increase in out-of-pocket electricity costs, as households had largely exhausted their Commonwealth and State energy bill rebates.
- There were also positive contributions from a rise in costs for medical and hospital services (+2.5%), international holiday travel and accommodation (+4.7%), maintenance and repair of motor vehicles (+3.8%) as well as rents (+1.6%).
- The quarterly gains were partly offset by a 3.3% fall in automotive fuel prices and a 1.7% decline in insurance and financial services costs.
- The major contributors to inflation over the past year were a 3.0% increase in food and non-alcoholic beverages prices, a 5.5% rise in the cost of new dwelling purchases by owner-occupiers, a 7.6% increase in rents and 5.6% rise in the cost of medical and hospital services. An 8.3% annual fall in automotive fuel prices was the major offset.
- Higher out-of-pocket electricity costs were reflected in a 0.2ppts rise in the annual rate of non-tradables inflation to 4.1%, while annual tradables inflation eased to 0.2% from 1.2%.
- The annual rate of goods CPI inflation – which includes electricity – remained at 1.9%, while services price inflation fell to 3.8%, which was the lowest since Q4 2021.
- The annual rate of inflation excluding food and energy declined to 3.2% in Q2 2025, a level unseen since Q4 2021, and was the same as the other measure of core inflation, CPI inflation excluding volatile items.
- Overall, notwithstanding some quarter-to-quarter volatility caused by the on-off nature of energy bill relief measures, Perth consumer price inflation has been on a steady decline from its peak of 9.2% in Q4 2022. The Western Australian economy has successfully navigated through the period of elevated inflation and subsequent disinflation and tighter monetary policy, with the strongest pace of post-COVID recovery in state final demand of all states.



Source: ABS

Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	3.85	(0 pt)	AUD/USD	0.6425	(↓2.4%)
90-Day Bank Bills	3.68	(↑8 pt)	AUD/JPY	96.87	(↑2.2%)
3-year Australian Government Bond	3.42	(↑16 pt)			
10-year Australian Government Bond	4.26	(↑10 pt)	ASX200	8743	(↑201 pt)

## Market Summary

- The RBA Monetary Policy Board unexpectedly left the cash rate target unchanged at 3.85% at its July meeting. However, a rise in the Australian unemployment rate in June and a further easing of CPI inflation in Q2 means an RBA interest rate cut in August is highly likely.
- Australian Government bond yields rose in July, after the three-year yield fell to two-year lows toward the end of June and the 10-year yield fell to its lowest since April. The rise in bond yields in the first half of the month was largely driven by the surprise decision by the RBA Monetary Policy Board to keep the cash rate unchanged at its July meeting. Weaker-than-expected Australian employment and CPI reports pushed yields lower again in the second half of the month, however, yields remain above end-of-June levels.
- The Australian dollar was one of the strongest of the G10 trading currencies over the course of July, rising to its highest levels since February against the Japanese yen. The AUD/USD exchange rate recorded its first monthly fall since February. The decline was driven by a sharp rise in the US dollar toward the end of July, after the US administration concluded a series of trade and investment deals favourable to demand for the greenback.
- The Australian equity market posted its fourth consecutive monthly increase in July, rising to fresh record highs. All the major industry sectors gained over the month except for financials. The health, energy, utilities and information technology sectors saw the biggest increases.

WATC Benchmark Bond Yields				
Maturity	Yield 31/7/2024		Spread to AGS 31/7/2024	
21 October 2026	3.39	(↑13 pt)	0 pt	(-)
21 October 2027	3.45	(↑12 pt)	+9 pt	(-)
20 July 2028	3.56	(↑11 pt)	+19 pt	(↑1 pt)
24 July 2029	3.72	(↑8 pt)	+25 pt	(↓2 pt)
22 October 2030	3.93	(↑7 pt)	+25 pt	(↓5 pt)
22 October 2031	4.11	(↑6 pt)	+27 pt	(↓6 pt)
21 July 2032	4.27	(↑5 pt)	+37 pt	(↓5 pt)
20 July 2033*	4.43	(↑4 pt)	+41 pt	(↓6 pt)
24 October 2034	4.68	(↑2 pt)	+49 pt	(↓6 pt)
24 October 2035*	4.82	(↑6 pt)	+48 pt	(↓8 pt)
23 July 2041	5.27	(↑8 pt)	+67 pt	(↓6 pt)

\*Green bonds.

