

THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

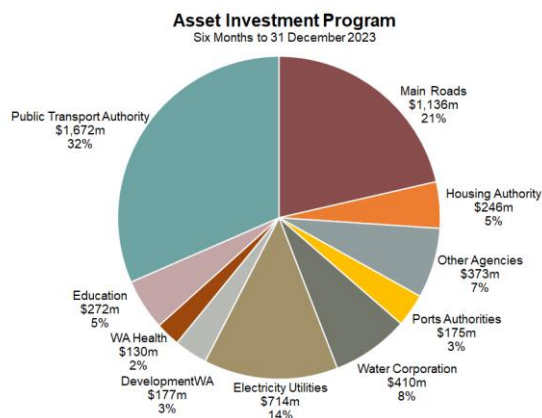
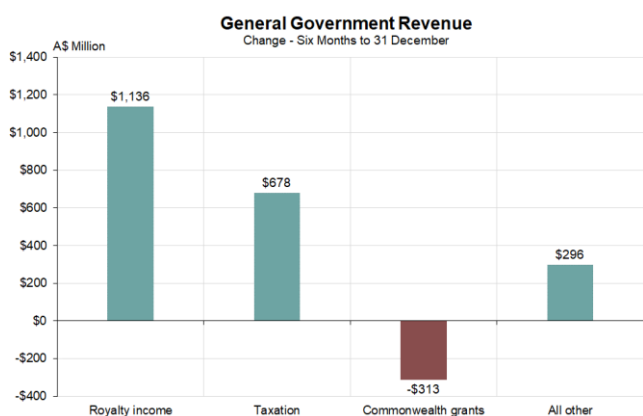
- Western Australian retail sales increased 0.3% in February, to be up 1.6% through the year.
- Western Australian employment rose 26.3k in February and the unemployment rate fell to 3.6%.
- New dwelling approvals in Western Australia rose 11.4% in January.
- Annual growth in the Australian monthly CPI indicator was steady at 3.4% in February.

WESTERN AUSTRALIAN GOVERNMENT QUARTERLY FINANCIAL RESULTS DECEMBER 2023

The Western Australian general government sector recorded a A\$3.1 billion operating surplus for the six months to 31 December 2023. This compares with the \$2.5 billion operating surplus reported for the same period in 2022-23.

- General government revenue for the first six months of 2023-24 was \$1.8 billion higher than the same period last year. This was mainly driven by higher royalty income (up \$1,136 million), primarily from iron ore royalties, and higher taxation revenue (up \$678 million), partly offset by lower Commonwealth funding (down \$313 million).
- Expenses were \$1.2 billion higher than the same period in 2022-23. This increase was largely thanks to higher salaries and concurrent superannuation expenses in frontline service delivery agencies, including higher workforce numbers in the health sector (up \$588 million), higher 'other' operating expenses (up \$281 million), mainly due to increased costs for not-for-profit sector services, and higher services and contracts expenses (up \$178 million).

Infrastructure investment totalled \$5.3 billion during the six months to 31 December 2023, \$1.3 billion higher than the same period in 2022-23 and was mainly the result of higher spending on METRONET and road infrastructure. Total public sector net debt was \$28.2 billion at 31 December 2023, \$827 million higher than the \$27.4 billion outcome recorded at 30 June 2023.



Source: Treasury WA

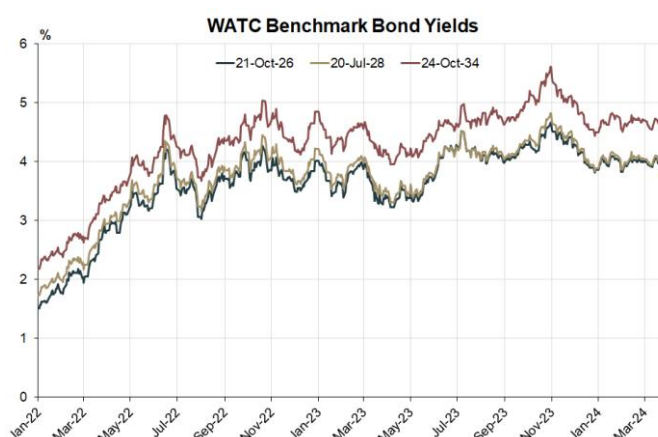
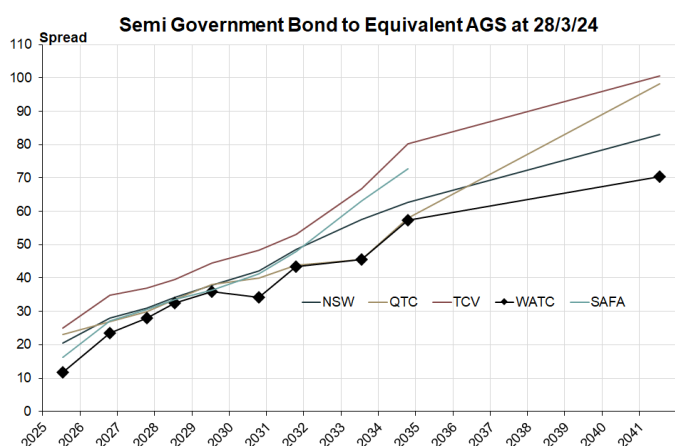
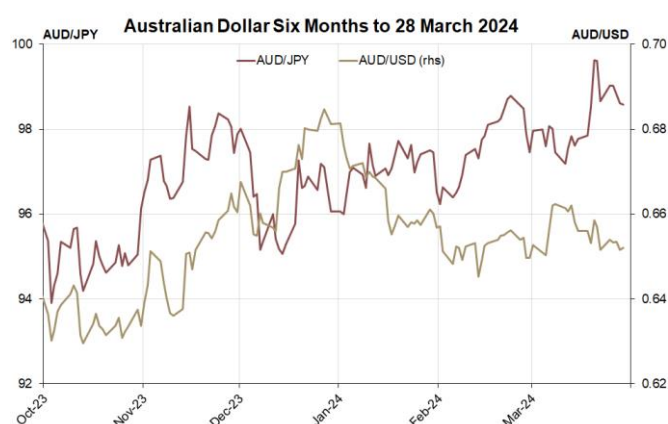
Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target	4.35	(0 pt)	AUD/USD	0.6516 (↑0.3%)
90-Day Bank Bills	4.34	(↑1 pt)	AUD/JPY	98.61 (↑1.2%)
3-year Australian Government Bond	3.62	(↓9 pt)		
10-year Australian Government Bond	3.96	(↓17 pt)	ASX200	7897 (↑198 pt)

MARKET SUMMARY

- The RBA kept the cash rate target unchanged at 4.35% in March and dropped the explicit reference to further tightening in its post-meeting statement.
- Australian Government bond yields slipped in March, following an increase in February. The March decline in yields was driven by a rise in expectations for RBA interest rate cuts, after the RBA moved closer to a neutral policy outlook and Australian annual CPI inflation remained steady in February.
- The Australian dollar was the strongest member of the G10 currency basket in March and posted its first monthly gain against the greenback since December. The AUD rose against the Japanese yen for the third month in a row and closed at a nine-year high of ¥99.62 on 20 March, before edging back.
- The Australian equity market rose for the fifth month in a row in March, with the ASX 200 gaining 2.6% over the month to close at a record high.

WATC Benchmark Bond Yields				
Maturity	Yield		Spread to AGS	
	28/3/2024		28/3/2024	
23 July 2025	4.09	(↓5 pt)	+12 pt	(↓5 pt)
21 October 2026	3.90	(↓10 pt)	+23 pt	(↓3 pt)
21 October 2027	3.87	(↓14 pt)	+28 pt	(↓2 pt)
20 July 2028	3.90	(↓14 pt)	+33 pt	(↑1 pt)
24 July 2029	4.00	(↓14 pt)	+36 pt	(↑1 pt)
22 October 2030	4.12	(↓16 pt)	+34 pt	(↑1 pt)
22 October 2031	4.25	(↓16 pt)	+44 pt	(↑2 pt)
20 July 2033*	4.38	(↓18 pt)	+46 pt	(↑1 pt)
24 October 2034	4.54	(↓15 pt)	+57 pt	(↑1 pt)
23 July 2041	5.00	(↓8 pt)	+70 pt	(↑5 pt)

Spreads are to nearest Commonwealth Bond. * Green bond.



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