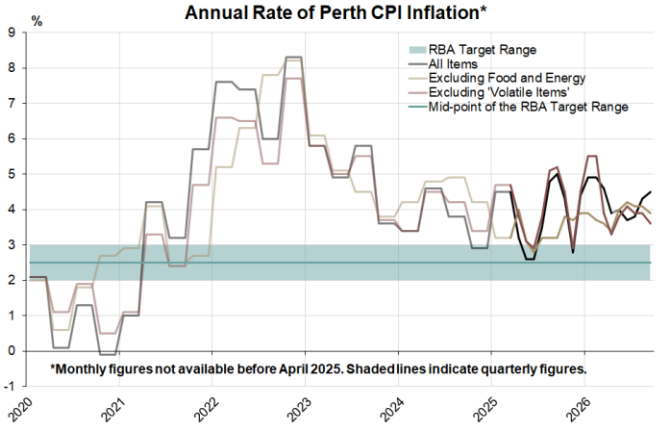
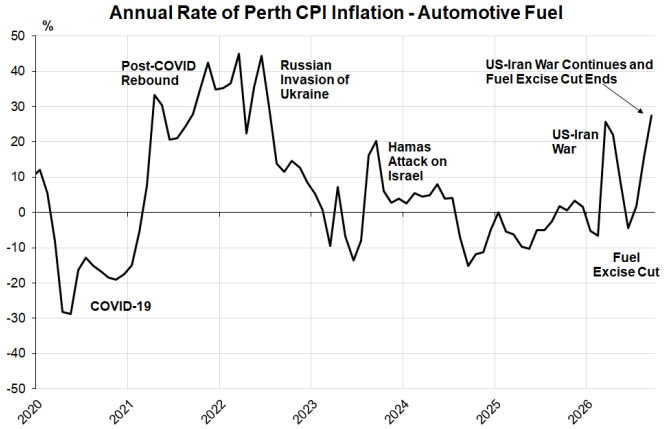
Western Australian Data Highlights

- The RBA increased the cash rate by 25 basis points to 4.85% in November.
- The Perth CPI rose by 0.6% in September, to be up by 4.5% through the year.
- Western Australian employment surged by 21.7k in September, while the unemployment rate was 4.2%.
- Perth home prices fell by 1.7% in October, following an 8.7% drop in dwelling approvals in September.

Perth CPI – Q3 and September 2026

- The Perth CPI rose by 0.6% in September, taking the annual rate of consumer price inflation 0.2 percentage points higher to a six-month high of 4.5%. This compares with annual inflation rates ranging from 4.0% in Melbourne to 5.3% in Hobart, and a weighted average of 4.3% across the Australian capital cities.
- The rise in annual consumer price inflation was caused mainly by higher automotive fuel prices, which increased by 27.4% over the year to September, the most since mid-2022. Transport costs overall rose by 10.9% YoY and contributed 0.4 percentage points to the rise in annual inflation.
- The second largest contributor to the rise in annual inflation was recreation and culture, which saw a 5.5% gain and added 0.2 percentage points. The faster price growth for this category was almost exclusively due to higher costs of holiday travel and accommodation. However, annual price growth for games, toys and hobbies remained elevated at 15.9% YoY amid higher costs of memory and storage components caused by the artificial intelligence revolution.
- The acceleration in price growth was partly offset by slightly slower growth in housing costs, as well as a deceleration in annual price growth of clothing and footwear.
- Despite the slowdown, housing cost growth remained at a decent 5.0% YoY and – given its large share in the CPI basket – was responsible for around a quarter of inflation over the year to September. Costs of new dwellings rose by 6.7% YoY, the lowest in six months but still decent, while growth in rents remained at 5.3% YoY and growth in utilities cost decelerated to 3.0% YoY, the slowest rate in the history of the monthly CPI series.
- Among the underlying inflation measures, annual inflation excluding food and energy declined to 3.9%, while annual inflation excluding 'volatile items', such as automotive fuel and fruit and vegetables, fell to 3.6%. In both cases, this was the lowest level in five months.
- An acceleration in inflation was recorded for both goods (+0.3 percentage points to 4.6% YoY) and services (+0.2 percentage points to 4.4% YoY). Tradables price inflation also accelerated markedly, by 1.2 percentage points, to a six-month high of 4.8% YoY, while non-tradables saw a 0.2 percentage points slowdown to 4.4% YoY.
- Essential items saw faster increase in price growth (+0.4 percentage points to 5.1% YoY), while price growth for discretionary items slowed marginally (-0.1 percentage points to 3.6% YoY).





Source: Australian Bureau of Statistics

Monthly Market Highlights

Australian Interest Rates (%)			FX and Equities		
RBA Cash Rate Target	4.85	(↑25 pt)	AUD/USD	0.7032	(↑1.2%)
90-Day Bank Bills	4.90	(↑13 pt)	AUD/JPY	110.80	(↑1.3%)
3-year Australian Government Bond	4.81	(↓12 pt)			
10-year Australian Government Bond	5.12	(↓23 pt)	ASX200	8908	(↑119 pt)

Market Summary

- The RBA increased the cash rate target by 25 basis points to 4.85% in early November, and further monetary policy tightening is only partly priced in.
- Australian government bond yields followed their global equivalents lower in October, despite a re-intensification of cash rate hike expectations that led to a rise in 90-day bank bill rates. The fall in bond yields in Australia and many other advanced economies resulted from the flight-to-safety flows amid the global sell-off of stocks issued by AI enablers amid concerns that optimism about this new technology could have been excessive. Spreads of WATC bonds to Commonwealth bond yields increased somewhat but remained low compared with peers.
- Despite the global sell-off in equity prices, the Australian dollar appreciated against the greenback and Japanese yen in October. The AUD was supported by a rise in cash rate hike expectations and an increase in some commodity prices, particularly fossil fuels, amid a broadening of the conflict in the Middle East.
- The Australian ASX 200, which has a relatively small weight of tech stocks, outperformed its US equivalent in October, with a 1.4% monthly gain that followed a decline in the previous month. Most sectors saw gains in October, with the notable exception of information technology and materials.

WATC Benchmark Bond Yields				
Maturity	**Yield 30/10/2026**		**Spread to AGS 30/10/2026**	
21 October 2027	5.07	(↑3 pt)	+8 pt	(↑1 pt)
20 July 2028	5.08	(↓3 pt)	+15 pt	(0 pt)
24 July 2029	5.07	(↓7 pt)	+23 pt	(↑1 pt)
22 October 2030	5.14	(↓6 pt)	+31 pt	(↑5 pt)
22 October 2031	5.23	(↓9 pt)	+37 pt	(↑6 pt)
21 July 2032	5.29	(↓9 pt)	+40 pt	(↑6 pt)
20 July 2033*	5.38	(↓11 pt)	+44 pt	(↑6 pt)
24 October 2034	5.53	(↓13 pt)	+48 pt	(↑7 pt)
24 October 2035*	5.60	(↓13 pt)	+50 pt	(↑8 pt)
22 October 2036	5.69	(↓13 pt)	+56 pt	(↑9 pt)
21 October 2037	5.81	(↓15 pt)	+66 pt	(↑9 pt)
24 October 2039*	5.94	(↓14 pt)	+72 pt	(↑9 pt)
23 July 2041	6.02	(↓15 pt)	+74 pt	(↑8 pt)

**Green bond.*

