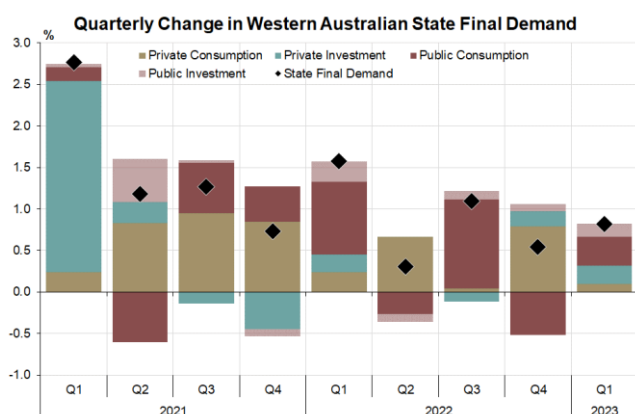


THIS MONTH'S WESTERN AUSTRALIAN DATA HIGHLIGHTS

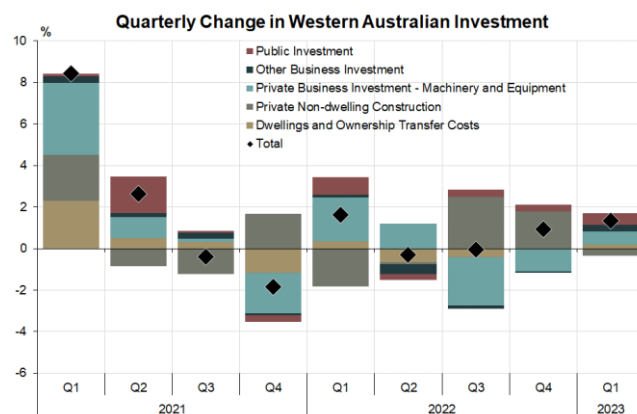
- In June, Western Australian Treasury Corporation issued A\$1.9 billion of a new 4.25% fixed rate coupon green benchmark bond maturing on 20 July 2023.
- Western Australia's state final demand rose by 0.8% in Q1, to be 2.8% up through the year.
- Western Australian retail trade rose by 0.2% MoM and 5.7% YoY in May.
- The Western Australian unemployment rate ticked up 0.1ppts in May, to the still low 3.7%.

WESTERN AUSTRALIAN STATE FINAL DEMAND Q1 2023

- Western Australian state final demand rose by 0.8% in Q1, to be up 2.8% through the year. The Q1 increase was the largest of all states and faster than the 0.5% rise in Q4 2022.
- Half of the Q1 rise in state final demand in Q1 came from fixed capital investment (0.4ppts), both private (0.2ppts) and public (0.2ppts).
- The 0.9% increase in private capital investment was driven by a 1.6% rise in dwelling investment and 0.9% increase in business investment, largely driven by increased investment in automation by the mining industry.
- Public investment growth of 3.5% was supported by increased spending for road projects and other transport infrastructure as well as education.
- Household consumption increased 0.2%, adding 0.1ppts to growth in Q1, following 1.6% growth in the previous quarter amid a rebound in out-of-pocket spending for electricity, after those expenses were held down in Q3 2022 by the A\$400 electricity credit.
- Consumer spending was mixed across the categories. Solid increases in expenses for the operation of vehicles, health and rent and other dwelling services were offset as declines in spending on furnishings and household equipment deepened.
- Public consumption expenditure rose by 1.6%, driven by rising state and local government spending due to the increased flood-related expenses.
- Western Australia continues to lead other states in terms of the post-COVID expansion, with a 14.5% rise in state final demand since the final quarter of 2019.



source: Australian Bureau of Statistics



Australian Interest Rates (%)			FX and Equities	
RBA Cash Rate Target*	4.10	(0 pt)	AUD/USD	0.6666 (↑0.02 pt)
90-Day Bank Bills	4.35	(↑37 pt)	AUD/JPY	96.10 (↑5.5 pt)
3-year Australian Government Bond	4.07	(↑66 pt)		
10-year Australian Government Bond	4.00	(↑39 pt)	ASX200	7203 (↑112 pt)

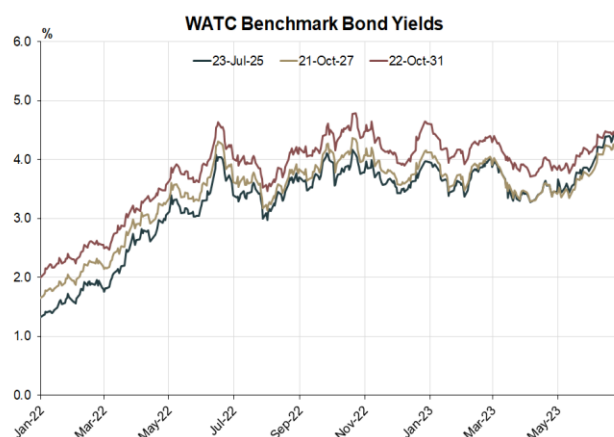
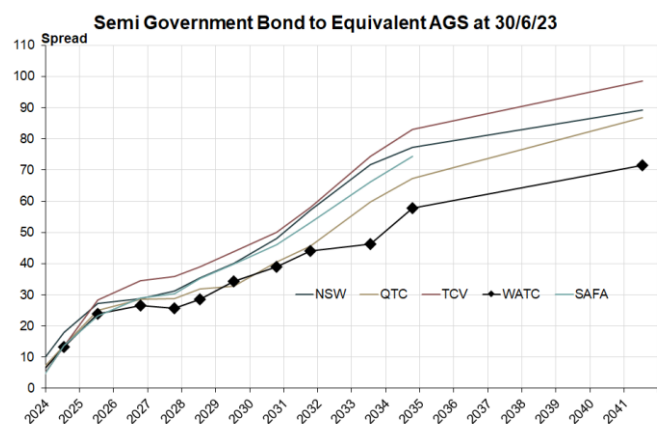
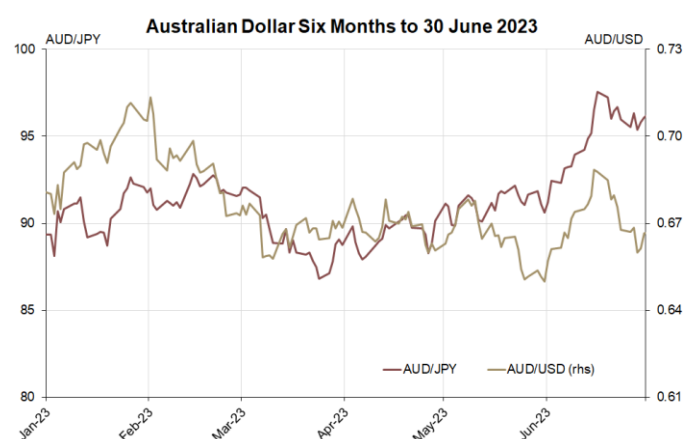
*Change between the RBA Board meetings on 6 June 2023 and 4 July 2023.

MARKET SUMMARY

- The RBA Board kept its cash rate target unchanged at 4.10% at its meeting on 4 July.
- Australian money market interest rates rose following the RBA cash rate hike in early June. Commonwealth bond yields surged amid a pick-up in cash rate expectations and higher global bond yields, with 3-year yields now slightly higher than 10-year yields. The spread between WATC and Commonwealth bond yields has narrowed somewhat.
- In June, the Australian dollar appreciated 2.5% against the US dollar and 6.1% against the Japanese yen. The appreciation occurred in the first half of the month and was supported by a rise in global commodity prices and positive sentiment in the global financial markets after the Fed paused its tightening cycle. The AUD gave back some of its gains later in the month, mainly due to the less hawkish RBA Board minutes.
- The Australian equity market gained 1.6% in June, thanks to global market optimism, expectations for stimulus in China, the rise in commodity prices and anticipation of a pause in RBA tightening.

WATC Benchmark Bond Yields			
Maturity	Yield 30/06/2023	Spread to AGS 30/06/2023	
23 July 2024	4.51 (↑59 pt)	+13 pt	(↑1 pt)
23 July 2025	4.41 (↑61 pt)	+24 pt	(↓5 pt)
21 October 2026	4.26 (↑56 pt)	+26 pt	(↓4 pt)
21 October 2027	4.21 (↑48 pt)	+26 pt	(↓6 pt)
20 July 2028	4.23 (↑46 pt)	+29 pt	(↓6 pt)
24 July 2029	4.30 (↑43 pt)	+34 pt	(↓7 pt)
22 October 2030	4.38 (↑39 pt)	+39 pt	(↓6 pt)
22 October 2031	4.45 (↑35 pt)	+44 pt	(↓7 pt)
20 July 2033*	4.47 -	+46 pt	-
24 October 2034	4.64 (↑26 pt)	+58 pt	(↓8 pt)
23 July 2041	5.05 (↑12 pt)	+72 pt	(↓16 pt)

Spreads are to nearest Commonwealth Bond. *New issue of a [green bond](#).



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